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ARMY AIR FORCES
HEADQUARTERS FERRYING COMMAND
WASHINGTON

April 10, 1947.

Colonel William J. Donovan,
Coordinator of Information,
United States Government,
Washington, D. C.

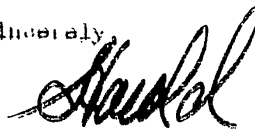
Dear Colonel Donovan:

Thank you very much for your fine letter of congratulations. I knew of no one from whom such a letter meant so much to me as from you for whom I hold the highest admiration and respect.

I hope to call on you sometime soon and see if you can spare a few minutes to "sit down and talk over ways and means of winning the war quickly."

With high regards,

Sincerely,



HAROLD G. CLARKE,
Brig. General, Air Corps,
Commanding.

George Brig Genl. H. L. 5861
x Promotion

April 27, 1942

Brig. General H. L. George
Office of the Chief of the Army Air Forces
Washington, D. C.

Dear General:

I am most pleased and happy to hear of
your well deserved but too long delayed promotion.
You are doing an excellent job. I

I should like very much to think that we
could sit down and talk over ways and means of
winning the war quickly.

With best wishes,

Sincerely,

William J. Donovan

George, Brig. Gen. J. L. 3861
in file

April 27, 1942

Brig. General H. L. George
Office of the Chief of the Army Air Forces
Washington, D. C.

Dear General:

I am most pleased and happy to hear of
your well deserved but too long delayed promotion.
You are doing an excellent job. I

I should like very much to think that we
could sit down and talk over ways and means of
winning the war quickly.

With best wishes,

Sincerely,

William J. Donovan

COORDINATOR OF INFORMATION
INTEROFFICE MEMO

RESTRICTED

FROM: David Bruce
TO: Colonel Donovan
SUBJECT:

DATE May 7, 1962

There is attached a copy of a memorandum from
Mile. Giraud enclosing a copy of a letter addressed
some time ago by General Giraud to his children.

The circumstances under which this letter was
obtained are explained in the memorandum. In view of
General Giraud's escape, the sentiments he expressed
from his prison camp are both poignant and significant.
I understand that there are only a few copies of this
letter in existence, and that it is not desired that
it should receive any publicity.

Although this letter is very old, it would seem
to me that it might possibly be of interest to the
White House.

David Bruce
David Bruce

In the encas you have
not already seen the
letter I think it might
be of interest to you.

The Frenchman who smuggled
the letter is:

Michel Rapaport,
also known as Michel Gordey.

C O P Y

3 May 1942.

Note pour M. Dulles:-

La lettre ci-jointe a ete sortie clandestinement de France et introduite aux Etats-Unis par un Francais (russe naturalise) attache pendant la puerre au Service de Traductions de 2eme Bureau de l'Etat-Major militaire, arrive a New York en Septembre 1941.

Il est actuellement attache au service francais du C.O.I., 270 Madison Ave. en qualite de traducteur. C'est un garcon d'une integrite absolue qui jouit de l'amitie tres intime de M. Jacques Maritain.

* * * *

La copie ci-jointe a ete faite sur une copie de l'original apporte par un prisonnier francais libere d'un camp de prisonniers francais en Allemagne. Il aurait montre cette lettre a des camarades du 2eme Bureau de l'Etat-Major General qui, emus par son contenu, n'auraient pas resiste a la tentation d'en prendre copie avant de la transmettre. Le prisonnier porteur de la lettre n'etait pas en relations directes avec la famille du General Giraud et aurait simplement servi de "boite a lettre".

J.R.

Copie :

En captivité à Koenigstein,
le 1940

A mes Enfants,

Je ne sais combien de temps je resterai ici, des mois, des années peut-être. Il est possible que je sois entermé au côté de mon ami Dune. Je suis prêt à tout. Peu importe. Je vous confie le soin de ne remplacer dans une tâche sacrée, le relèvement de la France. Je vous interdis de vous résigner à la défaite, et d'admettre que la France passe après l'Italie, l'Espagne, le Danemark ou la Finlande. Peu important les moyens. Le but seul est essentiel, tout doit lui être subordonné. Vous lui sacrifiez vos intérêts personnels, vos goûts, vos théories, votre mystique.

Au début, il ne s'agit pas d'aller heurter de front un ennemi, qui s'est assuré la possession de notre sol et nous a totalement désarmés. Stressez un caractère la méthode à employer, nous n'avons qu'à copier intelligemment.

En première urgence, la libération du territoire, à l'intérieur des frontières qui nous sont laissées.

Ensuite, la reconstruction physique, morale, sociale:

- a) avoir des enfants. Aider ceux qui en ont.
- b) les élever comme ils doivent être, pour la France.
- c) assurer à chaque famille une place au soleil.

En troisième lieu, être prêt, à tout moment, à profiter des occasions qui nous seront offertes si l'on a confiance en nous. Par conséquent, pouvoir refaire instantanément une armée moderne. Cela suppose un programme à faire par qui de droit.

A distance je pose le principe suivant:

Les esprits sont faits en France.
L'instruction est faite aux Colonies.
Le matériel est fait à l'étranger.

Malgré tous les contrôles, un pareil programme est possible, le camouflage étant de règle. Rien ne ressemble au service en campagne comme l'instruction scout, rien ne ressemble à un avion militaire comme un avion de transport. Un tracteur à chenilles n'a besoin que de sa cuirasse pour devenir un char, etc. etc.

Mais avant tout, que les esprits soient à la hauteur de leur tâche. Qu'ils veuillent être Français, totalement. Que personne ne s'expatrie des pays occupés ou temporairement détachés, pour y maintenir la pensée française. Que personne au contraire n'hésite à s'expatrier, si on lui offre à l'étranger une situation où il peut être utile à la France.

Vous tous, Pierre, Henri, André, Bernard, et vous mes chères filles, rappelez-vous qu'une bourrasque passe, mais que la Patrie reste. Une nation vit quand elle veut vivre. Répétez cela autour de vous. Forcez les autres à penser comme vous, à travailler comme vous. Nous sommes sûrs du succès si nous savons vouloir.

Resolution - Patience - Decision.
(signé) General Giraud.

Giraud
6061

May 7, 1942

Lieutenant General Hugh A. Drum,
Headquarters First Army and
Eastern Defense Command,
Governors Island, N. Y.

Dear General Drum:

Thank you very much for the letter of General Giraud to his children. If much of that spirit remains, it fortifies your point that if we really go in we can get a lot of help.

Sincerely,

Giraud 6061

May 8, 1942

MEMORANDUM

To: Edmond Taylor
From: W. J. D.

Have you seen this letter, written by General
Giraud to his children?



UNITED STATES GOVERNMENT
~~CONFIDENTIAL~~
WASHINGTON, D. C.

OFFICE OF STRATEGIC SERVICES

July 2, 1942

MEMORANDUM

FOR: Colonel Denovan
FROM: M. P. Goodfellow, Lieut. Colonel GSC

Lieutenant Colonel Gromback has been helping to set up our communication system for the reception of messages from our representatives. He never was given any authority to set up a "black chamber" and has not done so.

We have been arranging codes and checking channels for the purpose of communications and are about to begin message tests.

Our equipment is being installed rapidly and our small field sets delivered.

Major Lowman, partner of Paley in C.B.S., has been put in charge of this operation for S.O. He is working

-2-

with Mr. Horn. Colonel Gromback has never been connected with C.O.I. He is attached to G-2 and has given us the benefit of his knowledge of available equipment, engineering and radio personnel, and general communications information.

Col. Goodfellow's 7/2-3

June 29, 1942

MEMORANDUM

FOR: Colonel Goodfellow

FROM: Colonel Donovan

✓ Following our talk over the phone about our listening station, I am disturbed at all this talk about Grumbach. It has probably defeated the plan of turning that material over to us as a central agency. As I told you, I expect you to eliminate him altogether from anything affecting our office, whether he does it through G-2 or any other way. You evidently do not know it, but I hear on all sides that he is talking too much.

I wish you would send me a full report on just what you are doing in relation to the stations and who is doing it. Someone mentioned today the name of Candella who is said to be engaged in cryptanalysis work. As I told you, we have got to have this thing handled for the whole outfit and not for any branch.

Georgetown University 9950
x Miller Edwin L.

WRIGHT-HARGREAVES MINES, LIMITED

LOCATION - KIRKLAND LAKE, ONT.
EXECUTIVE OFFICES

EDWIN LANG MILLER
PRESIDENT
WILLIAM H. WRIGHT
VICE PRES.

LIBERTY BANK BUILDING
BUFFALO, N. Y.

GERARD F. MILLER
TREASURER
PHILIP H. GERHARD
SECRETARY

January 18, 1943.

Col. William J. Donovan,
Office of Strategic Services,
Washington, D. C.

Dear Bill:

Just a line to acknowledge your letter of the 15th
Inst., and thank you very much indeed for your interest and
advice. Should the opportunity arise, just keep Georgetown in
mind for a good word or two.

With every good wish for success in your very
important efforts, I remain,

Sincerely yours,

ETM-MLF

Tunney Praises Hoyas' War Training Program

Former Champion
Says Obstacle Course
Finest He Has Seen

Lieut. Comdr. Gene Tunney said a solid vote of approval for Georgetown University's war physical training program after an hour and 15 minute visit to the Hilltop yesterday, where the head of the Navy's physical education program reviewed students in the W-1, W-2 and W-3 programs.

Commander Tunney's visit included a trip to the obstacle course, constructed under the supervision of Joe Gardner, graduate manager of athletics, and the former heavy-weight champion called it "the finest I've ever seen, including Great Lakes."

Addresses Students

Tunney's visit to Georgetown was his first to any university to review a physical training program. He opened the program by meeting the faculty in the recreation parlor and then addressed a group of 300 students in Copley Hall. Tunney was introduced by the Rev. Lawrence G. Gorman, S. J., new president of Georgetown University who met the student body informally for the first time.

The importance of being physically fit and clean living habits, which includes abstinence from drinking, smoking, etc., was the



Lieut. Comdr. Gene Tunney gives Georgetown freshmen Billy Martin (left) and Jack Bortly a few pointers in his review of Georgetown University's physical training program yesterday at the Hilltop.

theme of Tunney's talk.

He viewed a boxing class of 70, under the direction of Joe McNamee and watched the importance of boxing in any physical program. Tunney then watched a

class of 68 go over the obstacle course and through a class in calisthenics.

Tunney was impressed with the entire program which he learned a more of from the Rev. John J. Ko-

nee, S. J., faculty moderator of athletics, and Gardner.

Georgetown's physical training course, introduced in September by Gardner, has been made an accredited course at the university.

*But - 62 lb is college champion at his weight
170 lb*

Georgetown University 9950
X Miller Edwin L.

January 15, 1949

Mr. Edwin Lang Miller, President
Wright-Hargreaves Mines, Limited
Liberty Bank Building
Buffalo, New York

Dear Ed:

I have your letter of December 29th and have made inquiries. I had occasion to look into this situation a short time ago when friends of mine asked me to intercede on behalf of various other colleges. I learned that any pressure would not be welcome, and that the Navy was doing the best they could and intended to make their selections on a fair and impartial basis. I really think any interference at this point would only cause irritation and would not have the desired effect. What you say about Georgetown is entirely true and I am sure the Navy will take all of these facts into consideration.

It was good to hear from you. With best wishes,

Sincerely,

William J. Donovan
Director

January 10, 1943

MEMORANDUM TO: Colonel William J. Donovan
FROM: G. Edward Buxton
SUBJECT: Request of Edwin Lang Miller
for your aid in securing
assignment of Naval Training
Unit to Georgetown University

The decision in all such assignments is now the responsibility of Captain Canaga under Admiral Jacobs' Bureau of Personnel.

I had a pleasant acquaintanceship with Captain Canaga when I went to California on December 3, 1941. He was in charge of ONI for the 11th Naval District, met me in Los Angeles and took me to San Diego where I spent two days with him.

Recently Dr. Wriston of Brown asked me if I could help in any way to obtain a Naval assignment for my own Alma Mater. Jim Baxter told me that the Navy had asked specifically that no pressure be brought upon them by the Colleges because they were doing the best they could and intended to exercise their best judgment and would not be able to do anything on a pressure basis.

Page 2

Every prominent man in America belongs to some college and the situation would be bedlam if everybody started to "die for dear old Rutgers"

Acting on Baxter's advice I decided to say nothing to Canaga about Brown University or Williams but thought I would take him to lunch and talk OSS to him. I called him on the 'phone last week. He was very cordial and begged me to give him a rein check for a month hence after he had finished this job. He said he was seeing no one, eating lunch at his desk and that he was dealing with a plan that involved the training of 200,000 students. He said it was the Navy's desire to interfere as little as possible with the normal routine of the colleges. He said he understood the collegemen approved the Navy's attitude (Baxter confirms) and he hoped the Navy would still retain this goodwill when the plan was put into effect.

Commander Smith has suggested to Jim Murphy that I call Canaga in the interests of Georgetown. In view of the above I would prefer not to do this, unless you think it wise,

Page 3

in the interests not only of Georgetown but
future OSS relations with the Bureau of Personnel,
I think they ^{would} naturally resent any pressure.

How about Columbia?

Asd -
CEB

In com. Smith

Director's Office

(330)

*Georgetown University 9950
x Miller, Edwin L.*

WRIGHT-HARGREAVES MINES, LIMITED

LOCATION - KIRKLAND LAKE, ONT.

EXECUTIVE OFFICES

LIBERTY BANK BUILDING
BUFFALO, N.Y.

EDWIN LANG MILLER
PRESIDENT
WILLIAM H. WRIGHT
VICE-PRES.

GERARD F. MILLER
TREASURER
PHILIP H. GERHARD
SECRETARY

December 29, 1942.

Col. William J. Donovan,
1647 - 30th Street, N.W.,
Washington, D. C.

Dear Bill:

I would appreciate it very much indeed if you would give me a few minutes out of your busy day to outline certain facts in a matter in which I am deeply interested.

It is in connection with Georgetown University, my Alma Mater, as you know. According to the recent announcement by the Army and Navy on a comprehensive college program for students, several hundred colleges will be selected to carry on the program of officer training. We are very anxious to have Georgetown selected as a base for one of the Navy training units and believe it is being considered favorably by the authorities. The questionnaire required of all institutions has been completed and returned to the proper office.

We have indicated our ability to handle an additional five to six hundred students in meeting the Navy requirements. Already there are at Georgetown several hundred in the Navy's various programs. Georgetown also maintains an R.O.T.C. unit consisting of over five hundred boys. All in all there are about twelve hundred students enrolled at the College, excluding the Law and Medical Departments.

Knowing your influence in high places, I would like to solicit your interest in behalf of Georgetown. I am on the Board of Governors of the University and have three boys at the College; two of them in the Navy V-1, and one at Georgetown Prep School - so you see my close connection.

The Priests at College have met every demand, and are highly regarded both by the Army and Navy departments for their efficient and thorough educational and physical program. Within the past month Admiral Leahy visited the College and was awarded the degree of Master of Military Science. Admiral Young of the Navy Supply and Paymaster Office, a 1915 graduate, was a recent visitor.

Col. William J. Donovan

#2

2-29-42

A word from you at the right time and place in this educational epoch forming moment, would do much to help Georgetown keep its high rank both now and in the future, among the leading colleges of America. Needless to say any interest you may show would be appreciated greatly. I am in Washington frequently and perhaps could see you at some future time.

With the best of good wishes for the holiday season to you and your family, in which Mrs. Miller joins me, I am

Sincerely yours

Ed. Kelly Miller

KLM-MTB

10,951
Garey, Eugene

March 27, 1943

Mr. Eugene L. Garey
Room 535 Old House Office Building
Washington, D. C.

Dear Eugene:

Thank you very much for your note.
We certainly will have to talk together and
I will get hold of you at the earliest opportunity.

Sincerely,

William J. Donovan
Director

SEVENTY-EIGHTH CONGRESS
1925-26
U. S. HOUSE OF REPRESENTATIVES
WILLIAM F. DUNN, CLERK
WILLIAM F. DUNN, CLERK
WILLIAM F. DUNN, CLERK
WILLIAM F. DUNN, CLERK

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
SELECT COMMITTEE TO INVESTIGATE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C.

Garey, Eugene L. 10,977

EUGENE L. GAREY,
GENERAL COUNSEL
FRED N. WALKER,
ASSOCIATE COUNSEL

March 22nd, 1943

Dear Bill:

I am very anxious to have a chat with you. I know just how pressed you are and I am leaving the time and place to you. I can meet you anytime, at luncheon or dinner that you can find most convenient.

Will you be good enough to let me know when and where I can see you.

With all good wishes, I am

Faithfully yours,



Eugene L. Garey.

Colonel William Donovan,
Office of Strategic Services,
Washington, D. C.

FRANC SNOJ
Barbizon Plaza Hotel
58th Street and Sixth Avenue
New York, New York

Gabrovsek, Franc 11,710
** Yugoslavian*
** Snoj, Franc*

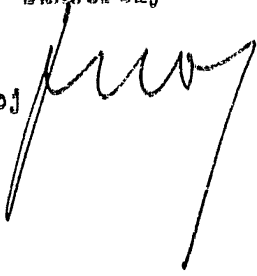
May 24th, 1943.

Brigadier General Wm. J. Donovan
Office of Strategic Service
Washington, D. C.

Dear Brigadier General Donovan,
Within the next few days I will be leaving the States. Mr. Franc Gabrovsek will take my place here and I sincerely hope that he too, will enjoy your kind cooperation and I recommend him to you very highly.

It has been such a great pleasure for me to have known you in the past months, and I greatly appreciate your help in the cause which unites us all. Therefore accept my heartfelt thanks and good wishes.

Yours very sincerely

Franc Snoj 

FS:ant

Gifts 12,925

~~X China~~

OFFICE OF STRATEGIC SERVICES

SECRET

INTEROFFICE MEMO

TO: General Donovan

29 October 1943

FROM: Captain Lee

SUBJECT: Gifts

Major Doering has asked me to comment on Major Hoffmann's recommendations as to gifts to be taken by you to Chinese officials.

1. I am inclined to believe that the gift of a signed photograph to General T.L. might well be misconstrued, particularly in view of his present political position. I agree with Major Hoffmann that a small caliber sidearm or a travelling clock would be more appropriate.

2. A clock, wristwatch or pen and pencil set would all I believe be suitable gifts to the Generalissimo and Madame Chiang. For presentation to them these should, of course, be quite handsome.

3. I entirely concur with Major Hoffmann in the wisdom of taking with you for presentation in both Far Eastern Theaters a number of gifts. Particularly prized are the following items: travelling clocks, wristwatches, pen and pencil sets, and lighters. I believe you would find an assortment of a dozen or so of such items useful to have along.

Would you like us to undertake purchase of these articles?

*Gifts
to
General
T.L.
and
Madame
Chiang*

B. G. E.

SECRET

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

26 October 1943

MEMORANDUM

TO: General Donovan
 FROM: Major Hoffmann
 SUBJECT: Gifts

*isn't to take up -
aski Duman
for help*

Robert Baile

1. After discussion of the subject with Colonel Hsiao, he advised that he considered the most appropriate gift to his boss, General T. L., would be an autographed photograph. He said he was attempting to procure one from Admiral Purnell. I did not wish to be presumptuous and discuss the matter further because I realized that you may have no photographs available or may not wish to make distribution thereof for this purpose. As an alternative, I would suggest

- A. An excellent small caliber sidearm, or
- B. Wrist watch, or
- C. Barometer-clock combination.

2. No other gifts are required according to Colonel Hsiao, however, I checked with Mrs. Griggs who thought a gift should be brought to the Generalissimo and Madame Chiang.

3. Perhaps it would be advisable to take a few handsome wrist watches just in case someone important has been overlooked by Col. Hsiao who hasn't been in China for nine years. As you already know, the Chinese take the matter of gifts rather seriously.

4. Colonel Hsiao suggested that a letter to General T. L., carried by either myself or the Colonel thanking General T. L. for the gifts received by you, would be advisable. It was also suggested that the same letter may contain any helpful comments we could make about Colonel Hsiao as this is his only opportunity for a military record.

Carl O. Hoffmann

CARL O. HOFFMANN
 Major, AUS
 FETO

SECRET

COPY

94011, 100 19217
13 August, 1944

Major General William J. Donovan
Director,
Office of Strategic Services
Washington, D.C.

Dear General Donovan:

I am very happy to have received your recent letter and enclosure of a copy of your letter to Major General Myron C. Cramer, The Judge Advocate General. Thank you so much for your interest and positive action on my behalf.

About three weeks ago, The Judge Advocate General's Dept. advised me of the receipt of my application and stated that I could receive notice of rejection, acceptance or selection within a period of two to six weeks. I have not received any word to date. I would appreciate any further action you might see fit to take to secure my acceptance and selection.

The 65th Division Artillery is on detached service here at Fort Sill, Okla., functioning as school troops for the Artillery Officer Candidate School. I am very happy to be within your Service Command.

I appreciate everything that you have done and might do for me in the future. Continued success to you in your all important work.

Sincerely

Corp. Leo C. Gabriel
Hq. 107th, 860th P.A. Bn.
65th Div. Arty.
Ft. Sill, Okla.

Handwritten signature: Leo C. Gabriel

Gabriel, Leo C. 10, 281
13 August 1944

Major General William J. Donovan
Director,
Office of Strategic Services
Washington, D. C.

Dear General Donovan:

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I appreciate everything that you have done and might do for me in the future. Continued success to you in your all important work.

Sincerely
Capt. Leo C. Gabriel
85th Div, 867th T. Co. Bns.
68th Div. Art.
Ft. Sill, Okla.



HEADQUARTERS, ARMY SERVICE FORCES
OFFICE OF THE JUDGE ADVOCATE GENERAL
 WASHINGTON, D. C.

12 August 1944

SPJGO

Brigadier General William J. Donovan,
 Director,
 Office of Strategic Service,
 Washington, D. C.

Dear General Donovan:

I have your letter of 24 July 1944, concerning Corporal Leo G. Gabriel, Hq. Btry., 869th FA Bn., Camp Shelby, Mississippi, who has submitted an application to attend the Judge Advocate General Officer Candidate School.

Corporal Gabriel's application has been filed and classified and is receiving careful consideration. A final determination of his case will be made in approximately four weeks.

Your interest in Corporal Gabriel has been noted and I have directed that your letter be made a part of his file. His desire to serve in this department is appreciated.

Very sincerely yours,

Myron C. Cramer

Myron C. Cramer,
 Major General.,
 The Judge Advocate General.

JWA

10.281

12 August 1944

APJCO

Brigadier General William J. Donovan,
Director,
Office of Strategic Service,
Washington, D. C.

Dear General Donovan:

I have your letter of 24 July 1944, concerning
Corporal Leo C. Gabriel, Hq. Btry., 869th FA Bn., Camp
Shelby, Mississippi, who has submitted an application to
attend the Judge Advocate General Officer Candidate School.

Corporal Gabriel's application has been filed and
classified and is receiving careful consideration. A final
determination of his case will be made in approximately four
weeks.

Your interest in Corporal Gabriel has been noted
and I have directed that your letter be made a part of his
file. His desire to serve in this department is appreciated.

Very sincerely yours,

Myron C. Gramer,
Major General,
The Judge Advocate General.

10-281
 19281
Gabriel, Do 2

18 July 1944

Captain Lee S. Gabriel
 U.S. Army, 1st Div.
 Camp Shelby, Mississippi

Dear Captain Gabriel:

I have your letter of 5 July 1944 and wish to congratulate you on having had your M3 application approved by the Officer's Board of your Division. I was very happy indeed to recommend you to Major General Cramer, The Judge Advocate General, and am enclosing a copy of the letter I sent him on your behalf.

Sincerely,

William J. Donovan
 Director

10,281

10,281

Gabriel, Leo G.

24 July 1944

Major General Myron C. Cramer
The Judge Advocate General
War Department
Washington, D. C.

Dear General Cramer:

I have been informed that the application of Corporal Leo G. Gabriel, ASN 48025494, for attendance at the Officer Candidate School operated by The Judge Advocate General's Department is now being considered by your office.

I have known Corporal Gabriel for many years and regard him as a conscientious, capable individual of exceptionally fine character. In civilian life he was a very competent and experienced attorney.

I should be very happy indeed to have the officer in your department who passes upon OCS applications regard this letter as an indorsement of Corporal Gabriel's character, ability and experience.

Sincerely yours,

William J. Donovan
Director

10, 26/1
 10, 26/1
 Gabriel, Bio 9

SECRETARIAT - ROUTE SLIP

Date

Major General
 The Judge
 War Depart
 Washington

Dear General

Corporal
 at the Of
 Advocate
 by your o

and regard
 of except
 was a very

officer
 tions reg
 Gabriel's

To	Name	Initials
	H. C. Doering, Jr.	
	C. A. Bane	
	J. B. Donovan	
	D. C. Lee	
	G. S. Platt	
✓	P. F. Pugliese	
	E. J. Pugsell, Jr.	
	A. W. Sulloway	
	R. Thrun	
	Ellen	

(23498)

Will you follow through on
 this for the General and when notice
 is attached. I think it will require
 an inquiry of the HG's office
 Yours,

William J. Donovan
 Director

10, 28/

10, 28/

see what
has happened

of
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ral
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even

Gabriel Leo C. 101281
 July 5th 1944

Dear General Bull,

I wrote you a few months ago relative to my Army status and solicited at that time your assistance in effecting my transfer to the Judge Advocate General Dept. Your secretariat who was kind enough to acknowledge my letter advised me that you were out of the country at that time and that he would keep my letter on file for your attention upon your return.

I was interviewed a few days ago by the O. C. S. Board of the 65th Division on my application for O. C. S. of the Judge Advocate General Dept. I understand that my application was approved and forwarded to Washington for action by the Judge Advocate General. I am very anxious to be selected and I am informed that an O. C. S. class will be

97/11

opened later this month. If at all possible,
I wish to be included within its quota.
I am well qualified by reason of age and
legal experience to do the work of the
Judge Advocate General and I assure you,
General, that I will appreciate whatever
you might do on my behalf to secure
my selection.

Continued success, General, in your
all important work and personal regards
from an old friend and admirer
of the campaign of '32

Sincerely,
Corp. Les C. Gabriel
U.S.N. # 42025494
Hq. Btry. 869th F.A. Bn.
A.P.O. # 200
Camp Shelby, Mississippi

STANDARD FORM NO. 64

Gabriel, Leo

Office Memorandum • UNITED STATES GOVERNMENT

TO : Assistant Executive Officer.

DATE: 5 May 1944.

FROM : Secretariat.

SUBJECT:

We would recommend that General Donovan not take any action in connection with the attached letter from Private Leo C. Gabriel. Private Gabriel is requesting from the General an endorsement to his application to the Judge Advocate General's Officer Candidate School. Unless the General feels that he is so conversant with Private Gabriel's qualifications that he would unhesitatingly recommend him, we believe it would be unwise for him to make such an endorsement since Private Gabriel has never been under his command in this organization. No matter how successful Private Gabriel may have been as a private lawyer, he still may not be completely fitted for O.C.S.

We are certain that no embarrassment to the General would result in his action since Private Gabriel has already been informed that the General was away at the time his letter was received, but we wished him luck in his application.

File *C. A. Bane*
C. A. Bane,
Lieut. (jg), USNR.

General Donovan

after reading the attached,
you made the following comment:

"Let's take this up."

Do you desire to make a phone
call or write a letter on the mat-
ter.

Macaulay

What should be done.

Director's Office

(310)

Gabriel, Leo - 10.281

13 April 1944

Private Leo C. Gabriel,
Hq. Btry. 889th F.A.Bn.,
65th Division,
Camp Shelby, Mississippi.

My dear Private Gabriel:

General Donovan had left Washington before the arrival of your letter of 2 April 1944, and inasmuch as your request is one which only General Donovan could appropriately consider, we shall have to hold it in our files until his return.

Since this may not be in the immediate future, we are hopeful that you will be successful in your application for Officers Candidate School irrespective of any action which General Donovan might have been able to take.

Sincerely yours,

C. A. Bane,
Lieut. (jg), USNR.
Assistant Chief, Secretariat.

Gabriel, Leo G - 10,251
Camp Shelby, Miss.
April 8th 1944.

Dear General Bill

I have chosen this informal salutation since I think you prefer this type of greeting from me; you so impressed me when I had the pleasure of visiting you in your Washington office last Spring. You will recall that I discussed with you at that time my impending entrance into the military service. After considering my status, qualifications and legal experience you decided that I belonged in the Judge Advocate General's Dept and you instructed me to contact you upon the completion of my basic training.

I was inducted into military service in Sept. 1943 and sent to Camp Upton on Oct. 12th where I remained until Dec. 12th. I was then shipped to Camp Shelby, Miss where I am at the present time. I have just completed my basic training as a member of the Hq. Btry. of the 869th Field Artillery Bn. which is a component of the 65th Infantry Division, commanded by Major General Stanley Penhant. Brigadier

-2-

General, Ronald Brock, a former Buffalonian, commands the 65th Division Artillery.

The Judge Advocate General's Dept. has re-opened its Officers Candidate School to lawyers who have completed their basic training. I understand that only a limited number of candidates will be accepted and selected. I have applied through my Battalion Sg. and I am informed that my application has been approved. My Battalion Commander rated me "excellent" as a soldier and recommended my appointment and transfer. I must now appear before an examining board of the 65th Division for an interview as to my experience and qualifications. Should I be approved by this board, I would then be accepted provisionally pending the decision of the Judge Advocate General to whom my application and all papers in reference to it are forwarded. Final acceptance and selection is made by the Judge Advocate General.

I am most anxious to be accepted

- 3 -

and selected and I know that a helpful word from you will procure this result. I hesitate to bother you about this matter as your time is so fully occupied with things of great moment; however, I am sure, General, that you understand my anxiety. I will appreciate anything that you might see fit to do on my behalf.

It just occurred to me that I should give you a brief history and outline of my education and experience. I graduated from St. Joseph's Collegiate Institute in 1923; from Canisius College in 1927; and from the University of Buffalo Law School in 1931. I was admitted to the New York Bar in 1932 and have practiced continuously since that time in Buffalo, N.Y. I have had considerable trial experience in the various Courts, both State and Federal.

This Presidential year reminds me of another one: 1932 and its gubernatorial

- 4 -

Campaign. We are in a bigger and far more important scrap now than ^{we} were then; and the whole world greets you on the successes you have scored in the far more important role you are now playing. Continued Successes!

May you enjoy a Happy, Early, and Peaceful Easter Season!

Respectfully yours,

Col. Leo C. Gabriel

A.S.N. # 42025494

Hq. Btry. 869th F.A. Bn.

65th Division

Camp Shelby, Mississippi

Gabriel L. C. 310221

February 1, 1943

Mr. Leo C. Gabriel
Iroquois Building
Buffalo, New York

My dear Mr. Gabriel:

I have your letter and of course
I would be glad to see you at any time you
would come here. However, I dislike to have
you make a trip when I might be able to answer
your questions without your taking a journey.
Why don't you tell me what you have in mind
first and I will see if I can give you an
answer. If you still feel you want to talk
to me, I will be glad to do it.

Sincerely,

William J. Donovan
Director

LEO C. GABRIEL
ATTORNEY AND COUNSELLOR AT LAW
IRGUBIS BUILDING
BUFFALO, N.Y.
CLEVELAND 8898

January 18, 1943

Colonel William J. Donovan, Director
Office of Strategic Services
25th and E Street, N.W.
Washington, D. C.

Dear Colonel:

I called Mr. Walter Berry to ask him if it would be possible to arrange an appointment for me to meet and talk to you. Walter suggested that I write this letter to you and ask for an appointment with you in Washington at your convenience.

I recall that in one of our talks after our campaign of 1932 you told me that if at any time you could be of some help to me that I should feel free to call upon you. I realize the magnitude of your position and service and the great demand made on your time and for this reason hesitate to bother you; however, I am most anxious to talk to you and receive the benefit of your counsel and advice relative to my military status. I expect to be called to military service within the next month and wish to see you at the very earliest time convenient to you.

The old campaign committee of 1932 have observed with pleasure your accomplishments and successes and we are all very proud of you and of the fact that we had the opportunity to work with you. Space and your limited time do not permit me to tell you about myself and my activities since I last saw you. I have been practicing law here in Buffalo for the past ten years and have attained some measure of success. That just about sums it up for the present.

If you will see me, Colonel, I would be pleased to have you notify me as to when this meeting can be arranged. I will anxiously await your reply.

Sincerely yours,

Leo C. Gabriel
LEO C. GABRIEL

LCG:RG

10.5.45
J. Gerson
3 April 1945

Maj. Gen. William J. Donovan
Office of Strategic Services
Washington, D.C.

Dear General Donovan:

Please accept my sincere appreciation for seeing me this afternoon. It is a strange and wonderful thing that the greatest, and consequently the busiest, people in this world can manage to be so warm and understanding. Many thanks again.

Sincerely,

Virginia Gerson
Virginia Gerson

✓

16, 60
2 April 1945Person, Virginia

Dear General Donovan,

I talked with Mrs. Gerson again this morning when she brought the attached note in to me. I passed on to her your assurance that the investigation would be confidential and could not result in any public embarrassment and also our wish to cause her as little discomfort as possible in the whole matter. She still maintained her decision to resign.

The most important element in the decision is apparently health. The Dr. Parker mentioned in her note is a gynecologist but she is also in the midst of a psychoanalysis. Her only wish seems to be to get away from the emotional stress of investigation and to visit and rest with her husband's parents while the medical matters are being taken care of.

I feel most unhappy about the whole business. I doubt that the allegations are true and in any case I am absolutely sure of her loyalty to the Agency and the United States. She told me more about the California case, how the police came in at 6 AM, handcuffed her former husband to the bed, ransacked their apartment, and refused to let them phone anyone. Also how the papers had the story on the streets before they were taken from their apartment.

(2)

Her memory of this is still as clear and shocking that I feel helpless to give her the assurance she needs in her present condition.

Mrs. Barton, who is the only person besides David and myself who knows her difficulties, is going to help her pack. She had already rented her apartment in anticipation of the Conference, and wants to leave as soon as possible.

This case has made me think about the relationship between our security and our personnel. In a sense we were forced to act on the basis of suspicion. Also the allegations related to her political beliefs rather than to her national loyalties. It seems to me that if we are going to prevent penetration of the Agency by foreign agents we must look to more objective means of security checking. Bank accounts should be audited, associates checked, and the like. The FBI premise that left political opinions are evidence of subversion seems to me of no practical value and also inherently anti-democratic. What we need to know is that people are working exclusively for our country except as they may, at the same time and in the same way, be working for

(3)

international progress and order x

In looking toward a post-war agency we must be able to attract and hold people who have more than a financial motivation. The bulk of key staff can make more money in private employment than in government and they must be convinced that their efforts are worthwhile and that their sincerity and loyalty are recognized. Otherwise we will lose those who are most vigorous and creative. We can't hold them by Civil Service pay x

People who have had security "cases" feel deep personal hurt. Clearance carries no automatic sense of vindication. I can see from the way you talked to David that you know how necessary it is to have people get rid of that feeling of "second-hand citizenship," as David himself called it. Mrs. Terman's impulse to get away from an experience with such unpleasant associations for her seems to be understandable. Yet neither of them would have had any fear of an open or secret investigation specifically directed toward finding whether they were or were not foreign payables, gave information to foreigners, or for that matter ever expressed an opinion hostile to this country's interests.

It seems to me that the critical security problem in this Agency is loyalty to the United States. We are not concerned with

(4)

internal affairs, so economic or political views on internal affairs are not a real issue. In our terms the only reason for suspecting a communist or communist sympathizer is the possibility that he might have Russian loyalties. It is the latter point that requires thorough investigation.

We all know the kind of problems that arise for the Agency - especially, for you - in having security problems of the Military Affairs Committee sort. But it seems to me it is worth meeting these directly as you did in David's case. In this way people feel the Agency is really worth their loyalty. It makes more headaches but you have top-notch people who will work day and night.

I think the best test of personal security is the way a person works. You can't work unless you are single-minded about it. When I see people working long hours, then going home and talking over their jobs with their own people from their own office I feel confident of their basic loyalties. If this is a naive view of security, at least it has the practical value of getting the job done.

Mr. Barton

16.003
 Wilson, Virginia
 2 April 1945
 File

Dear Bu:

There seems to be no way of saying it except directly: I feel I must resign. I do think, though, that you're entitled to my full reasoning for such a bald statement, but I must ask that you bear with me on a few intimate and rugged details which I hope will give you a better understanding of my position.

Going back a little, and forgive me for being so entirely personal and what may appear to be unnecessarily detailed, but this is it. My primary reason for working on any job in these times is that it is my sincere desire as well as my duty to do my part in the war effort, thus ensuring a better life for me, for my family, and for all peace loving people. I actually see my own contribution as direct as that, as widely felt as that. As a matter of fact, this is my understanding of every individual's part in the war. My primary reason for working for OSS is that I consider it to be one of the war agencies in which I can make a definite contribution, where my experience can be best utilized. I am confident that you, David, and Barney, are completely satisfied with this contribution and that you have had no occasion to question my loyalty or suitability for the job.

During the time I was being considered for work on the San Francisco Conference, I started a complete physical checkup with Dr. Parker, the results of which she has told me within the last few days. She has recommended a series of treatments which ordinarily would involve my devoting quite a bit of time in her care, but which I had asked her to postpone so that I might complete the job of the San Francisco Conference since I considered it to be so important, and felt my contribution to be so valuable that I was willing to forego any personal discomfort which might result from postponement. However, since the question of my suitability now precludes my participation in the Conference, I see no reason why I should not follow the Doctor's advice.

Regarding the allegations which have been stated as to my loyalty, no matter what they are, no matter who has made them, the thought of being put through the indignity of an investigation strikes me as so unfair, so unjustified, and is so revolting as well as emotionally upsetting, that, frankly, I simply am not physically equipped for it. And here again I must talk fairly intimately. During the time I lived on the West Coast and was married to my first husband, I experienced this very sort of thing, indirectly through him. In a union jurisdictional dispute between the IATSE International and the Hollywood locals, he was the spokesman, the leader, and consequently the target for the opposition's (the International) venom and machinations, and in one particular instance was held on charges of "suspicion to conspire to violate the criminal syndicalism act". Needless to say, the charges were unfounded, that within three hours he was released, that the Mayer

2.

of Los Angeles publicly protested this "persecution by gangsters", that Manchester Boddy, publisher of the Los Angeles Daily News protested editorially, that J. Frank Burke, owner of a local radio station, went on the air with the same kind of protest, that Buren Fitts, then District Attorney, stated to the press that his office had found the charges unwarranted and had personally offered his apologies, that the Mayor became so indignant with his own police force that the arresting officer was required to undergo a Police Board hearing and was suspended from active duty for mishandling his authority. The attendant publicity and subsequent emotional disturbance was so great that despite the happy public ending, it resulted in much personal unhappiness and, finally, in an extremely painful divorce proceeding.

In view of my past experiences, my state of health, and my great disappointment at being disqualified for doing one of the biggest jobs we've had to date, I just haven't the spirit nor the energy to continue working. I am terribly sorry to have had to be so subjective and feminine about this, but I do hope you'll understand and that I can count my warm and productive association with the Branch staff as the "good" part.

Sincerely,

Virginia

Virginia Gerson

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : General Donovan
 FROM : Special Investigation Committee
 SUBJECT: Virginia Gerson

DATE: 27 March 45

The Special Committee met on 23 March to consider the case of the above-named subject; all members were present.

Examination of the file discloses:

- A. FBI reported that in August 1935 subject was allegedly a member of the Communist Party under the name of Martha Barnes; that she was the financial secretary of the Hollywood Studio Unit of the Communist Party and a distributor of Communist literature; in May 1942 that subject's first husband, Jeff Kibre, was a Los Angeles committee Communist; reported to be active in the American Youth Congress; employed by Russian War Relief Inc. writing material for and scheduling the appearance of speakers.
- B. Neighbors in Washington and former employer believe her to be loyal. Associates, Richard Wilson and Sgt. Russell of the Presentation Branch, endorse her loyalty.

The Committee makes the following findings:

- A. A Civil Service investigation as to the eligibility of the subject is now pending. The Commission estimates that no decision will be reached for approximately six weeks.

It is recommended that no further action be taken in the case until a report is made of the Civil Service findings.

FOR THE COMMITTEE:

J. J. Monigan, Jr.
 J. J. Monigan, Jr.
 Major, CAC
 Chairman

CONFIDENTIAL

STANDARD FORM NO. 64

CONFIDENTIAL**Office Memorandum • UNITED STATES GOVERNMENT**

TO : Major J. J. Monigan

DATE: 26 March 1945

FROM : Security Officer

SUBJECT: Virginia B. Gerson

1. In accordance with the recommendation of the Committee at its meeting held on Friday, 23 March, I have requested the Civil Service Commission to expedite its investigation on the Subject.

2. I am informed that the Commission has completed a preliminary check as a result of which certain derogatory information has been found which will necessitate a full investigation. It is estimated that the case will take about 6 weeks and it is indicated that it will be presented to the Loyalty Board of the Commission for review.

A. van Beuren
A. van Beuren
Security Officer

*File and forward to
Security Office
4/5/45*

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES
WASHINGTON 25, D. C.

15,586
Givers, May

MEMORANDUM

29 March 1945

TO: Colonel Edward Buxton
FROM: B. Homer Hall

[Handwritten signature]

Attached is a copy of a promotion recommendation for Captain Givers. It will reach the OSS Board either on Monday, April 2, or Thursday, April 5, 1945.

Givers, son-in-law of James Dunn, is the officer SI took over on your recommendation some months ago, and of whom I spoke to you, via telephone conversation, yesterday. Recommendation for his promotion to the grade of Major is based entirely on merit and his value to OSS, and has nothing whatever to do with his connections. If a little extra consideration could be given this case, however, I am certain that subsequent favorable action would be of benefit to this organization.

[Handwritten signature]
B.H.H.

ATTACHMENT

[Handwritten note:]
Sprock to Col. Funt
4/21 EJP

SECRET

15, 576
Jensen, MayMEMORANDUM

20 March 1945

TO: Mr. W. H. Shepherdson
For - (SI Promotion Board)

FROM: B. Kiser Hall

SUBJECT: Promotion for Captain Maximilian H. Geyers

1. It is recommended that Captain Maximilian H. Geyers, PA, 01174968, be promoted to the grade of Major. This officer has completed sixteen months in grade, having been promoted to the rank of Captain on 18 December 1943. Captain Geyers was originally commissioned a Second Lieutenant in the Field Artillery Reserve on 28 December 1941, promotion to the grade of First Lieutenant becoming effective in March 1943. He was on overseas duty, in Africa and, subsequently in Italy, from 1 April 1943, to 28 August 1944. He was recruited by OSS in Africa on 1 July 1943, and attended all of this organization's training schools in that theater. He was born 21 May 1912.

2. This officer organized Operations Section for OSS Communications in Algiers in January 1944. His specific duties, which were performed in a superior manner, follow:

- (a) To organize and control existing radio circuits from Southern France to Algiers.
- (b) To assist in planning and organizing future radio circuits Southern France-Algiers for SI, SO, and SS.
- (c) Responsibility for allotment of radio equipment and signal plans to all missions.
- (d) Responsibility for activation and deactivation of field circuits.
- (e) Responsibility for action taken on all administrative messages pertaining to radio circuits and communication material.
- (f) Charged with briefing of all radio operators prior to departure.

SECRET

- 2 -

- (g) Classified by 7th Army Headquarters to assist in planning CCB communication details for operation Anvil.
- (h) Responsibility for Algiers Radio School (administratively, admission of students, etc.) OG field maneuvers.
- (i) Acting Communications Chief, MEDTO, during absence of Lt. Colonel Nere.

3. Meticulous in executing tasks of even the most minor nature, this officer has an unusual ability to visualize the necessity for corrective or other action. Superior in military courtesy, he is punctilious to a degree without being overbearing or inclined to throw rank around. Friendly and tactful, he has an unusual sense of diplomacy. Cool in emergencies or under pressure, this officer is also resourceful, enthusiastic and ingenious; has a marked quality for leadership, and is mentally and physically equipped to perform all duties to which an officer with the rank of Major is obligated.

4. Transferred to SI 18 December 1944, Captain Govers has been handling matters pertaining to the French Desk of that Branch in cooperation with Major Justin O'Brien. Subject's fluency in several European languages is an extremely valuable asset in his official association with officers of foreign nationalities. During Major O'Brien's absence on a tour of overseas duty, beginning in or about 6 April 1945, Captain Govers will assume complete supervision of the French Desk. The duties include the servicing and general direction of French SI sections in all theaters of operations; maintaining liaison with representatives of the French Military Mission and the DCM in Washington; recruitment of personnel; briefing, dispatching and servicing officer and civilian personnel who go from and report to the Washington. Due to the fact that the subject's work will greatly facilitate the operations of the French Desk in its relationships with ranking officers of the French Mission DCM, and other military groups, the promotion of Captain Govers to the grade of Major is respectfully requested.

SECRET

General, Capt. M. J. Dunn
x Dunn, James

November 4, 1944

Hon. James Dunn
Adviser on Political Relations
Department of State
Washington, D.C.

Dear Jimmy:

Thanks for your recent note
concerning Captain Govers.

We have talked with him and
are carefully considering how his real
qualifications and languages can be best
utilized.

I will be glad to have Capt.
Govers keep you in touch with the con-
versations in which he has been engaged
with Ned Burton and certain Branch Chiefs.

As always,

Dear Bill,

First of all I wanted to let you know that the young lady I wrote you about (who had written me) was interviewed by one of your officers the other day and called me to tell me how pleased she had been with the interview - that it was the first time she had not been given "the run-around" and that the Major told her that her

qualifications were excellent
and that if after her papers
had gone through the usual
mill she could not be used
by O.S.S. and she certainly
could be used by another agency.
He gave her, however, good
hopes. She is grateful to me
and I thank you. As you
know I have never seen her
but she sounds good.

I am definitely coming
to Washington and if you
are still in this country
when I get there I'd love
to see you.

I am flying home early next
 Friday morning - Tuesday - as I
 have to be at the Pentagon
 by nine - Then either Friday
 night or Saturday morning I am
 going to Charlottesville, Virginia
 until Monday - Then coming
 back to Washington until Tuesday
 or Wednesday - So let me
 know if you are going to
 be around - I'll let you
 - or send you a copy of
 my last news letter which
 goes periodically to most of the
 friends scattered around the

world - This particular one is
about nine typewritten pages
long and is a combination
of Winchell & Kippinger
(Would you like to hear mailing list?)
I thought you might be
interested in the enclosed
program - It is a forum
we put on at the New York
Times last week - in the
hopes of getting more medical
news -

Hope to see you -

Cordially -

Wm P. L.

UNITED STATES OF AMERICA
NATIONAL YOUTH COUNCIL
NATIONAL YOUTH COUNCIL

Mrs. Oswald S. Lora
National Chairman
Sector Service Council Chairman
Dean Virginia Silverleeve
Honorary Chairman

Mrs. Antares A. Alfrich
Mrs. Alfred A. Bachrach
Mrs. Everett Colby
Mrs. Eliot Cross
Mrs. Walter A. Sage
Mrs. Basil Harris
Mrs. Edwin Wilson
Mrs. Lytle Hall
Mrs. Alice T. McLean
Mrs. Walter McMah
Mrs. C. Mortimer Palmer, Jr.
Mrs. John V. Pratt
Mrs. Theodore Roosevelt, Jr.
Mrs. Anna Rosenberg

Greater New York Committee

Mrs. Theodore Roosevelt, Jr.,
Chairman

Mrs. Eliot Cross
Vice-Chairman

Public Relations Committee

Mrs. Lytle Hall - Chairman

Recruiting Committee

Mrs. Leonard Gold - Chairman

Headquarters & Information Committee

Mrs. James Cox Brady - Chairman

Administrative Director

Mrs. J. Henry Harper

27 November 1944.

PROGRAM

HOW WOMEN IN THE ARMY PROVED THEMSELVES?

presiding

Mrs. OSWALD B. LUND

GUEST SPEAKERS

Honorable Frances Bolton
Congresswoman from Ohio
Captain Gill Robt Wilson
Aviation Editor of the
New York Herald Tribune
Miss Lisa Sergio
Commentator on International Affairs
Blue Network - WJAR
Captain Henry V. Brown
D.F.C. - Veteran of Italian War Theatre

Songs by Hugh Thompson
of the

Metropolitan Opera Company

The New Opera Company

QUESTION AND ANSWER PERIOD

MAJOR GENERAL J. A. TERRY
COMMANDER, 2nd Signal Battalion
Mrs. Theodore Roosevelt, Jr.
Chairman, Greater New York Civilian Advisory Committee
Brigadier General Ralph DeVoe
Commanding General, Halloran General Hospital
Colonel Oleta Culp Hobby
Director, Women's Army Corps
Colonel Charles L. Talson
Surgeon, Second Service Command
Lt. Colonel John W. Bellamy
Senior Chaplain, Halloran General Hospital
Major Cora Ann Pace
Staff Director, Second Service Command
Army Commander Peter J. Simpson
D.S.O., D.S.C., D.S.M.
Major George Hittinger Elliot
Columnist, New York Herald Tribune
Dr. Bever & Chas Smith
Academy of Medicine
Committee on Public Health Relations

Signal Corps Film "TO THE LADIES"

National Anthem Sung By

Hugh Thompson

GODFREY, JOHN H

ENGLAND

November 15, 1941

Admiral John H. Godfrey
Director of Naval Intelligence
Admiralty, S. W. 1
London, England

Dear John:

Thank you for your note. I am delighted that you are going to stay through 1943. That is helpful. Of course, as you know, I believe this is the battle front on which the battle of the Atlantic depends. We are gradually winning.

Sincerely,

William J. Donovan

SECRET

INTELLIGENCE DIVISION,
NAVAL STAFF,
ADMIRALTY, S.W. 1.

WHITEHALL 9000.
EXTENSION 745.

11th October, 1941.

P.905

Dear *Bill*,

I enclose a further set of "U.O. Reports" which may interest you, and also a draft paper regarding a proposal to initiate a propaganda campaign to undermine the morale of the German Navy.

We feel that the present moment is an opportune one for starting such a campaign as the German Navy has not been doing too well this summer, and the Battle of the Atlantic, so far from being the howling success that Hitler predicted, has in fact developed in an unexpectedly favourable way to ourselves.

You will, of course, have been receiving full news about the Russian campaign, and I think there is very little I can add, except perhaps to tell you what you already know - that the Russians themselves are inclined to be over optimistic. This may be due to their peculiar temperament or to actual ignorance as to what is going on on the military front, and certainly their technique lends itself readily to secretiveness and suppression of bad news.

It was very nice to see David Bruce the other day. Both he and Allen are splendid representatives, and I am sure are doing a good job.

Winant and Mrs. Carnegie dined with me last night, and he spoke in glowing terms of the way your work is developing. We shall be most interested to know if you have been able to implement any of the "Buffalo" telegram suggestions.

I have just been told that I shall probably stay on here until 1943, and may be later; an announcement which one receives with rather mixed feelings, as it seems to preclude the possibility of going to sea during the war. I rather fancy you must feel the same about your job.

Stewart Menzies and Fleming send their salaams.

With very best wishes for your success and health.

Yours ever,

P.S. I was very glad to meet your brother, and only wished I could have seen more of him.

Would you be so kind as to send the enclosed letter on its way?

Colonel W.J. Donovan.

GODFREY, JOHN H

November 29, 1941

Admiral John H. Godfrey
 Director of Naval Intelligence
 Admiralty, S. W. 1
 London, England

Dear John:

Today I went to the Army and Navy football game with the Navy Secretaries and their guests, among them being a very attractive friend of yours from Long Island. We had a chance in the midst of the crowd to briefly talk about your visit.

I hope you are seeing something of Whitney, and that he has made clear to you that we want to do everything to be of help. I think you would be pleased at the gains that have been made since your very stimulating visit here.

I have been very much impressed with the material you have been sending directly to me, and I want you to know that certain important papers have gone directly to the Number One man--much to his interest. It was very good of you to do this, and I am most grateful for your remembering me.

We also have made use, in stilling up thinking, of the U.C. Reports. I do not want to press you for too much, but if there are any others of these I certainly should be pleased to have them. I only speak of this because you expected other reports to come out.

As to the use of the pouch, that I have discussed with Bill and I think you will find some real aid has been given and I hope for more. Bill can tell you all about this, and I think it would be better to do it that way. In any case you can rest assured that even though

-2-

you may not hear specifically, all of us here want to be of the utmost help.

If you see Dykes give him my best and tell him that Colonel Mundy came in and talked with our group the other day. It was a really deserved honor to you to have your assignment renewed and it ought to be a great source of satisfaction to know that the really fine service you are giving to your Country is fully recognized.

My best to you.

Sincerely,

William J. Donovan

*Palaio, Ernesto
+ South American
+ Stephenson*

September 17, 1941

Dear Bill:

The man who wanted to talk about South American is Ernesto Galarna, who is Director of Labor at the Pan-American Union. He seems a very straight and honest fellow and is prepared to talk with your people. If you will designate the one I can arrange it through here.

Sincerely,

William J. Donovan

Mr. W. B. Stephenson
British Passport Control Office
995 Fifth Avenue
New York, New York

15, 788

G. H. B. W. S.

BRITISH EMBASSY
WASHINGTON, D. C.A Black & white
X 11 in color film
... ..MOST SECRET
& PERSONAL

4th December, 1944.

Dear Bill,

I am returning herewith the papers you kindly gave me at dinner last night. I read these with much interest and feel there is a good possibility of the plan achieving something.

The only suggestion I have to make is that, if an operation such as is set out in this paper is carried out, it would seem desirable to have good reasons for the proposed mildness which would make sense to the Germans. As I understand the situation to-day, the Germans, both official and others, are extremely cynical and will probably not believe in unmotivated benevolence and mildness. However, they might easily believe in planning with some ulterior motive. Therefore, if credence is to be obtained for all these mild terms, they might be phrased in terms of Allied self interest. Here is a very 'black' "reason", which I hope you will not quote as coming from me, which might gain credence with the Germans, to the effect that Wall Street and Oliveden Set each supported by prominent politicians are terrified of Bolshevism, and would, therefore, do everything possible to build up a strong Germany immediately after the war. In the meantime they will have to stick to unconditional surrender in order to maintain Russian co-operation and avoid Anglo-Saxon casualties but, once all top Nazis have been removed, they will do everything to make sure Germany will remain a bulwark against Bolshevism and will rebuild a strong and prosperous Fourth Reich.

Yours ever,

David Bowes Lyon.

- - - - -

Major-General William Donovan,
Office of Strategic Services,
Washington, D.C.

THE MAN WHO WRITES ROOSEVELT'S APPEALS

The Dangerous Professor

"Oh, so he wants to go to the cinema? That's why he was so impatient"

"No, not to the cinema! He wants to see a film here at White House called 'Dumbo'; it's a comic - he never misses anything like that. He always enjoys a good laugh".

So says "Papa Watson, the Jovial receptionist at White House, to Professor Noel Hall, whilst conducting him from the President's study to the lift "There, can't you hear the kids laughing!" says Pa Watson, as they move past the first floor. "Diana Hopkins is celebrating her 10th birthday, and she was allowed to invite 50 of her little girl friends. They are just seeing 'Dumbo', the film cartoon of the little elephant, Dumbo's latest adventures. And the President musn't miss those!"

Professor Noel Hall - saying good-bye to Pa Watson - nods, but wonders in private whether the President of the United States really still has time now (in November 1941) for Dumbo's comic adventures?

Mr. Hall, 33-year old Professor of Economics and Political Science at the University of London, Director of the Royal Institute of National Economy, also famous golfer, came to Washington in March 1941, with the rank of Minister, in order to manage the Department of "Economic Warfare" at the British Embassy. Men like Old Tink (Republican Congressman George Holden Tinkham) who are allowed to have a peep into the American-British delivery business-as far as this is at all possible - call Mr. Hall the "Dangerous professor". By this they mean that the learned man uses his sharp wit, all his knowledge and his clever dialectics in an astoundingly practical way to get ever-increasing advantages for the English in the delivery agreements.

The public are constantly being pacified by official announcements of payments made by the English; it is said that 400 million dollars have already

Senator Vandenberg brought the matter up at the Committee for Foreign Affairs, a heated discussion followed and the conference broke down. Arthur Vandenberg, now a publisher and bank director in Michigan - the State between the two big Canadian lakes which yields the most copper - is known, not only for always losing the end of his cigar so that all present have to search for it, but also for knowing just how to get the best information. In this he is helped by his son Arthur, his collaborator, and so the Vandenbergs (usually mentioned in the plural) soon found out that the secret treaty referred to tax exemption. Armament works built by one partner of the treaty in the country of the other were to be exempt from taxes. As the USA have built no factories in England, and will not do so, whereas England has bought up or erected large armament works in the USA, this exemption of tax is only in favour of England. Another masterpiece by Professor Hall: Senator Vandenberg threatens to mobilise the States and towns, that are thirsting for taxes, against the secret treaty!

The Chairman of the Senate Committee (Long Tex Connally from Texas) gets a promise from the White House to publish the tax agreement, thus immediately securing a majority in the Senate for the approval. Vandenberg and his friends warned and protested in vain: the secret agreement of October 17th will never be published!....

62 They are also right in their opinion that the Professor, Noel Hall, has been a great help in the far behind reality. On February 1941, the Professor and Sumner Welles signed, in the name of their Governments, an agreement to the effect that settlement for American deliveries to England would be postponed until an indefinite date after the war:

"More Screwy Than Ever"

Archibald MacLeish is a poet - aged 49, from Illinois - has written lyrics, novels and plays, but most important: contributed the poetic passages in Roosevelt's speeches. In recognition of these services Roosevelt made him Director of the Congress Library, and has recently invested him with another office.

Mr. William Donovan, alias "Wild Bill", from Buffalo, 58-year-old "soldier and lawyer", as he calls himself in the American "Who's Who", has for a long time been enjoying the special favour of President Roosevelt. The latter had sent him as an "observer to Europe, to instigate plots in the Balkans against Germany, and to London as his "Specail Representative" to round up popularity. Just recently he has made him Co-Ordinator of Information, that is, Chief Reporter of his (Roosevelt's) information.

The two gentlemen met in New York on this day in November, 1941, to discuss various problems in their spheres of work which often overlapped, and then they came to talk about the general situation.

"It's more screwy than ever!", Bill Donovan and Archie McLeish mutually agreed over and over again in their discussion: Everything's topsy-turvy now in America. Take the weather! In the middle of October (1941) the weather reports were crazier than they had ever been in the memory of man. In some places there were heat records (the town of Richmond had its hottest day, and New York had its hottest night) and in other places there was frost, and snow-storms; in the States towards the Rocky Mountains miles of green fields had become choked by thick snow drifts. In 15 Eastern States, on the other hand, such a drought had lasted for seven weeks, that fields

and gardens had become dried up. The rivers had dried up, rivers and lakes had dried up. On account of the number of heat strokes, and because utmost economy was urged in water consumption in the towns. In the State of Arizona, however, there were floods which swept away whole villages. In Kansas no one was safe from cloudbursts, and then there was a tornado which threw apartment houses 200 yards and killed a few hundred people. In the Gulf of Mexico a hurricane swept along at 200 m.p.h., drawing fishermen and their boats into the deep, destroying buildings, streets, forests, airports These freaks of the weather had done immeasurable damage.

And the people of America (said poet MacLeish) are now just as crazy as the weather. John Lewis, for instance!

This name, which has disturbed and excited the USA ever since the beginning of the war, belongs to a fat man of 61 with a thick mop of hair, like an artist: John L. Lewis, Leader of the Miners' Union, who for 20 years has not set foot in a mine, has an income and expenditure of \$25,000 a year, lives a life of luxury ("on the dimes of 400,000 very poor men", writes Chicago "Time") and considers the re-armament of America a good opportunity to show his power and use it as a threat. President Roosevelt thought to render this awkward man harmless by giving him a position in the Office for the fighting of unemployment. But this only worked for a time. There were millions of workless, in spite of all programmes on paper, and John Lewis rapidly withdrew, in order to dodge his part of the blame for this failure. Now constant rows are making him notorious. President Roosevelt, who sits between Scylla and Charybdis, doesn't want to get on the wrong side of the workers or of the employers, and so must be satisfied with uttering calls to reason, arranging discussions; and then the weeklies show the big industrialists and fat John Lewis sitting at the conference table at the Wardman Park Hotel in Washington. One paper writes: "Like a massive nightmare he flits across the screen".

Bill Donovan says: "The fellow goes to the public meetings away".

This only makes Archibald MacLeish smile. He is smiling at Roosevelt's speeches (the other one is Mr. Donovan) he knows what great value the President attaches to having people believe that between him and the workers - and their leaders - there is no discord.

On their journey to Washington these two gentlemen came to talk about another "craziness" of the times: the financial structure of the USA. "Have you a good memory for Dicken's 'Copperfield'?", asked Poet Mac Leish. Wild Bill shook his head.

"Well, then I will tell you what often comes to my mind these days. Mr. Micawber gives young David Copperfield some advice: 20 Pounds per annum income, 19 Pounds expenses - result: good. 20 Pounds per annum income and 19 Pounds expenses - result: very bad. The flowers fade, the leaves fall, the God of Chance abandons the gloomy scene, in short: you are broke!" That's what Dickens said. Now if I apply the same to our national budget, it's like this: monthly income: 700 million dollars, monthly expenses: 700 million dollars and an extra milliard. Result: can be imagined!"

MacLeish is right. And Bill Donovan frankly admits it. The development of the American budget has become fantastic. Since 1933, when Franklin Delano Roosevelt moved into the White House, the national debt has doubled, increasing from 26.5 to 52.7 milliard dollars. 65 milliards were fixed as the highest limit by Congress after they had seen what the President was spending on re-armament and assistance for Great Britain. But already now, in October 1941, it has become apparent that this limit will soon be exceeded. The Minister of Finance has just raised the biggest internal loan which has ever existed in the USA (apart from war loans): One and a half milliards, payable in 25 to 31 years. "My God!" (said Poet MacLeish), "What will the world be like in 25 years' time!"

In October, 1941 President Roosevelt announced that the "great" of 5,934,000,000 Dollars was "needed" for "Britain": 5 milliards, 935 millions. "F.D.R. (short for Roosevelt) can really say that he takes down the star from Heaven for us. In former days, the figures that we are now given as working capital for the war to preserve Anglo-American Democracy were only known to Astronomy!" shouts John Lewis at a meeting in Detroit, and he calculates that in the course of 1941 no less than 24 milliard Dollars were requisitioned for war purposes: six times as much as the whole national budget of 1935. And the USA isn't even at war

It's just as if Roosevelt wants to make fun of people like John Lewis: the same newspaper that prints John Lewis's speech gives an official announcement from Washington, that in the first days of January, 1942, the President would propose a further credit of 37 milliard Dollars!

The Glass Globe.

Men like MacLeish and Bill Donovan really have no reason to criticise the financial conduct of the President; they get their rake-off from the milliards. In Washington everything starts with the creation of a new "office", a new department, a new centralizing station, and so MacLeish and Donovan have become Chiefs of such new offices, which are generously equipped on a budget of several million dollars. Bill Donovan is Director of the OCI, and Archibald MacLeish is Director of the OFF, both are immediate collaborators of the President.

All Departments now have abbreviations in America; it has even been said that there is an "abbreviation craze". OCI means: Office of Co-Ordinator of Information. As such, Bill Donovan has to keep the President constantly informed of everything that is important for his policy. A nebulous task, which in practice is solved by Mr. Donovan keeping a staff of employees on the 1-1/2 million dollars at his disposal, who make extracts from the world press, from which he himself then selects what he wants to submit to the President.

time to time to the President - and since he has been President for years. Every Ministry has its own Information Bureau, which sends its reports to the President. This causes many a confusion, often the information is contradictory, and the President, who uses it for his Press Conferences, speeches, communique's, etc., contradicts himself before all the world.

To put an end to this "chaos" - one day Roosevelt himself uses this term - he creates a new Department, the OFF. This means Office of Facts and Figures, and Archibald MacLeish is made Director.

The "N.Y. Herald Tribune", an anti-Roosevelt paper, explains this as follows: "OFF will watch out that OCI will give the right information, whereas OCI will watch out that the "Office of Government Reporters" are correctly informed, whilst the Government Offices will see that the innumerable press agents of the various Departments (abbrev. PAIDS) are working properly, and this will give us the guarantee that no Department will interfere with the work of the other. When finally the OUCH (Office of Utter Confusion and Hysteria) has been founded, then the grandiose pyramid of the official Institute of Information will have been crowned, and we can all die in the happy feeling that Washington bureaucracy is enjoying the best of health!"

Mr. MacLeish the Director of the OFF, with the multi-million subsidy, doesn't let such articles rob him of the happiness he is just enjoying. At the moment he is the most popular poet of the USA. It was he who wrote the hymn "The Land of Freedom" - set to music by Roy Harris - played on the radio and in the music halls, and found the President's approval.

Bill Donovan, Director of the OCI (the other Information Bureau), is kept awake by the new fame of Poet MacLeish, and he racks his brains as to how he could outdo him - and one day he has it. He asks an engineer of Roger & Co. (Optical-Mechanical Works)

to come and see him. "Do you remember the World Exhibition?"

"Of course. You mean the huge celestial globe - if I remember rightly - it was about 20 yards in diameter."

Donovan nods. "Yes, I want you to build me such a globe of glass

"Of glass - ?"

"Yes, entirely of glass. Confidentially, it's for the President, and now I should like you to listen to my ideas"

(cc)



UNICON COMPANY

CARBIDE & CARBON BUILDING • 912 BALTIMORE AVE. • KANSAS CITY, MISSOURI

April 5, 1945.

Major General William J. Donovan
Office of Strategic Services
25th and M Streets
Washington, D. C.

Dear General:

Attached hereto is copy of letter that I have sent to Sir William Stephenson covering a few of the things we discussed when I was in his office last Thursday.

You will note we are having prepared a complete presentation of Unicon methods of construction, and also will have a small model, and when ready, I plan to call Sir William Stephenson and arrange an appointment with him in New York so that any points that are not entirely clear with him can be further discussed.

You know how much I appreciate your help in this matter, and I am looking forward to an opportunity of being of service in this situation.

It was very nice to see you when I was in Washington and I hope on my next trip you will be in this country and I will again have the opportunity of talking with you.

When I was in New York I saw Johnnie Feckheimer and told him about my pleasant visit with you. He is the same as always.

With best personal regards,

Sincerely,

Quile

ESG:hw
Enc.

Hand for W.D.
No answer required
RT

UNIT CONSTRUCTION MATERIALS AND METHODS OF CONSTRUCTION

6

April 5, 1949.

Sir William Stephenson
 Room 3606
 630 Fifth Avenue
 New York, N. Y.

Dear Sir William Stephenson:

It was nice to meet you in New York last Thursday and I appreciate your courteous attention.

Arrangements have been made to have photographs, drawings, details and production information prepared, and as soon as this information is ready, I shall call you by telephone and would like to arrange an appointment with you in New York so that I may have the opportunity of explaining certain points that are rather difficult to clarify by correspondence.

The fundamental idea in Unicon has been the production of simple, precision made modular units and interchangeable parts suitable to mass production planning, and the use of a wide variety of materials, plus simplified erection methods, permitting rapid construction by unskilled workmen.

This is made possible by the universal mechanical elements used for joining all sections of a structure, making it possible to meet the requirements for efficient erection of steel structures, wood structures, or combinations of steel and other materials.

All parts have been standardized so that they may be produced rapidly in existing fabricating plants, completely milled or formed, ready for assembly at the point of fabricator or shipped to area and assembled at that point by unskilled workmen.

The standardization of parts and sections make it possible to produce these parts in volume and carry as warehouse stock, and when withdrawn from the warehouse, used in a variety of structures.

Methods of fabrication, assembly and erection of structures have been completely worked out as attested by numerous practical structures in present use. Engineering, planning and fabrication, as well as erection, have been directed by capable technical men engaged in these different divisions.

Page 42

Sir William Stephenson

April 5, 1945.

Providing material and fabricating facilities are available, we feel that our company can be of immediate assistance in the present housing program, and can on short notice organize a capable crew of technical personnel who could immediately set up volume production in a minimum period of time and be of great assistance at this time, as well as in the establishment of a far reaching facility that should be of great importance in post-war construction.

We believe that our methods will receive enthusiastic cooperation of manufacturing companies in your country, and that they will be quickly understood and can be produced in volume without the addition of special machinery.

Skilled labor is not essential and our organization can train totally unskilled labor in all phases of our business in a short length of time, and therefore, assist a great number of returned servicemen to find a place in industry that should get top priority to meet mass housing needs.

Looking forward to the pleasure of seeing you soon,
with best personal regards,

Very truly yours,

UNICON COMPANY

E. S. Guignon, Jr.
President

bs4:hw

15th August 1943

CONFIDENTIAL

UNITED STATES GOVERNMENT
OFFICE OF STRATEGIC SERVICES
CALIFORNIA OFFICE

74 NEW MONTGOMERY STREET

SAN FRANCISCO, CALIFORNIA

20 August, 1943

File

AIR MAIL

General William J. Donovan
Office of Strategic Services
Washington, D. C.

Dear General Donovan:

You asked me yesterday afternoon on the phone if I knew anything about Raymond Guess. I told you I knew him very slightly, but I find that Anne has known him for a number of years.

She says that he is extremely nice, attractive, but not too smart, - that he means well, but seems to have an unfortunate knack of "putting his foot in it" unintentionally.

It was good to hear from you and I was particularly glad to get your news. I am awaiting word in more detail with great interest.

Very sincerely,

W. H. Vanderbilt
William H. Vanderbilt
Commander, USNR
Chief, Pacific Coast Office



BRITISH SECURITY CO-ORDINATION

CINCLM 8-8800

680 FIFTH AVENUE
ROOM 8800
NEW YORK 20, N. Y.

PERSONAL

October 7th, 1944.

My dear Bill,

On the eve of my departure to go back to England after what I am afraid has been an extremely hurried visit, I would like to thank you so much for all the facilities which you placed at my disposal and for your most generous hospitality. It made the whole difference to be able to use your personal plane for my various journeys when in this country, and the way in which Colonel Hoffman handled all the arrangements for me made my path very smooth.

I enjoyed my time in Washington enormously and was so glad to have the opportunity of seeing at first hand the extent of your organization in all its various branches, and I am certain that it will be very helpful to me in all our collaboration in the future to have met so many of your senior officers and to have had the opportunity of discussing with them their views on so many different points of interest.

I am most grateful to you also for having arranged for me to meet General Marshall, a privilege which I greatly appreciated.

All my personal thanks to you for what you have done to make my visit in the United States a very enjoyable one. I hope to see you in London again in the very near future.

Yours ever

Cecil Gubbins

Brigadier General W. J. Donovan,
Director of the Office of Strategic Services,
Washington, D.C.

WJ

19.000
15-000
19.000
15-000
CONFIDENTIAL

22 September 1944

General George C. Marshall
Chief of Staff
Room 3E 921
The Pentagon building
Washington, D. C.

My dear General Marshall:

Major General Colin Gubbins, head of the British SOE, will be in the city on Tuesday and Wednesday.

As you know, SOE is the British organization which has exclusive charge of dealing with resistance groups. It was with this organization that OSS has been working so closely in developing the resistance groups in France and other European countries.

In common with so many of the Allied officers with whom we work, General Gubbins, out of his great admiration and respect for you, has expressed his desire to be presented to you. I hope, in view of the assistance he has been to our organization, that you will permit me to bring him to see you sometime Tuesday or Wednesday.

Sincerely,

William J. Donovan
Director

CONFIDENTIAL

9567

Gurpin, F.A.C.

F.A.C. GURPIN
80 ROCKEFELLER PLAZA
NEW YORK

TELEPHONE CIRCUM 6 2009

Sept 17th 1944

Dear General Donovan,

Developments in Europe have brought about the request by the Royal Dutch/Shell Group in London, that I transfer my residence and take in hand the rehabilitation of our business.

I am leaving on the 19th Sept. and thereby terminate 7 happy years in this country.

Many good memories and lasting friendships have been added in these years. My connection with you I shall remember as a small attempt on my part to acknowledge the good things

america has given me, and
 from that point of view
 it gives me satisfaction.

One day, when you have
 more time, I still hope to
 discuss with you, things
 which might perhaps be
 raised with greater profit earlier.

Your way is bound to
 lead through London
 occasionally.

The Carlton Club will
 always find me or tell you
 my whereabouts, and
 it would give me great pleasure
 to hear from you there when
 you are in London.

Yours sincerely

John L. Carrington

Recd. March 28, 1944

FOREIGN ECONOMIC ADMINISTRATION
WASHINGTON 25, D. C.

2200 R Street, N. W.
Washington, D. C.
March 28, 1944

File

General William J. Donovan
1647-30th Street, N. W.
Washington, D. C.

Dear Bill:

Thank you for the copy of the letter to Jack Green. I know he will be disappointed; but I do not see what you could do under the circumstances. I've an idea he was thinking not so much of an OSS job as that you might succeed in getting him transferred in his own outfit. He will probably see all the action he wants where he is, but has a natural yen to do his fighting under more gregarious conditions.

I called you up one Sunday night and was disappointed but not surprised to find that you were at your office. If it ever should happen that you are spending an evening at home and can stand an hour's company, please give me a ring at Decatur 0776, as I should like very much to see you.

Sincerely,

Ray

Raymond P. Baldwin

WPN

Green, May 9, 1969
SECRET
x Baldwin, P. P.

23 March 1944

Mr. Raymond P. Baldwin
3200 R Street, N. W.
Washington, D. C.

Dear Ray:

I am enclosing a copy of a letter I have just written to Jack Green. I am sorry that this is the way it had to be, but the circumstances of this office at the present time do not permit any other decision.

Sincerely yours,

William J. Donovan
Director

Enclosure
cab:as

SECRET

25 March 1944

Major J. P. Green
 84th Regiment
 APO SNS, c/o Postmaster
 San Francisco, California

Dear Jack:

I have just returned to Washington after an extended trip and it was not until my return that I caught up with your letters to me and also those which Ray Baldwin had forwarded.

I have secured our organization to see whether or not there is some place here into which we could fit you and get for you that active duty which you desire so much. Unfortunately, there is at the present time no place in which I could be absolutely certain that you would be happy and would be using your many talents to the utmost. This does not mean that the situation will always remain the same and you know that if anything in your line develops, you will be considered for it.

I hope that you will let me know from time to time what you are doing. Perhaps things will pick up in the Pacific so that you will be able to terminate that "water taxi and freight service" which you said you were operating in your last letter. I certainly hope so, because I know how much you want to be in the middle of things.

Sincerely yours,

William J. Donovan
 Director

cab:as

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[illegible]

Two



Director's Office

(3306)

OFFICE OF STRATEGIC SERVICES

Green, Major J. P. 5,764
SECRET

INTEROFFICE MEMO

TO: General Donovan
 FROM: Secretariat
 SUBJECT: Major J. P. Green

DATE: 18 March 1944

The attached file has been considered by Mr. Scribner and Colonel Bigelow to determine if Major Green could be used by OSS. It is their feeling that without further information they would not be justified in asking for his return to the United States and transfer to OSS unless, of course, you desire that this be done.

Will you kindly advise us what further you would like to have done about this matter?

Attachments

Duncan C. Lee
 Duncan C. Lee
 Major, AUS
 Chief, Secretariat

*I believe that
 you I agree -
 that he did not
 specifically say
 so - I suggest
 announce
 reply he I - if not*

SECRET

Charlie

For major
from Capt. Bigelow

JCS FORM 2202

SECRET

FROM:

ROUTING AND RECORD SHEET

Accession No.

Date Rec'd

Major/De

To	Room No.	Date		Officer's Initials
		Rec'd	For'd	
<i>MW</i>		<i>3/</i>		<i>MW</i>
<i>Entner</i>		<i>1/15</i>		
<i>KHB</i>		<i>14 MAR</i>	<i>14 MAR</i>	<i>B</i>
<i>CHB</i>				<i>CHB</i>
4.				
5.				
6.				
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8.				
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10.				

Each comment should be numbered to correspond with number 1. To
 A line should be drawn across sheet under each comment.

Officer Designations should be used in To column.

Each Officer should initial (check mark insufficient) before further action.

Action desired or action taken should be indicated in Comments column.

Routing sheet should always be returned to Registry.

For Officer Designations see separate sheet.

(70410)

SECRET

THE WHITE HOUSE

Date: 13 March 1944

To: Mr. J. H. Scribner

Re: Major Jack Green

Attached is the file I talked to you about the other day regarding Major Green. Could you let me know as soon as possible whether you have any interest in this man.

[Signature]
D.L. Lee

Office of the Secretariat

(503)

To: General Donovan

You wanted to see them
later in the week.

Director's Office

'9300)

Green, J.P. 12.769-

December 6, 1943
New Guinea

Dear Col. Bill:

I have written Ray Baldwin about my situation here and he wrote me he had spoken to you.

To put it briefly:--I have been and am in an amphibious regiment. Have had our share of action in assault landings, and one run resupply in the Nassau Bay, Lae, Salamaua Campaigns. We operate L.C.V.'s and L.C.M.'s. The combat team which I commanded received two citations, and a fair percentage of them earned decorations of various kinds;--I state this only to assure you that there is no internal reason for wishing to transfer. I have received one promotion and believe I am in line for another.

Most of the amphibious work in this area has now been taken over by the Navy. My outfit has been relegated to B.O.S. work, and I am operating little better than a water taxi and freight service at an advanced base section. I have not the temperament for this kind of work and believe that my training and experience could be used far more effectively elsewhere.

Since the Navy intends doing the bulk of this

- 2 -

type of operations in this area, I should like a transfer to an outfit either already overseas in the European theatre or about to go there.

The majority of such outfits will need well qualified officers trained in amphibious warfare.

If some commander of such a division or regiment would ask for me by name, I assure you that I will give them my best--I'm anxious to get this mess over with and go home.

Anything you can do would be more than appreciated by me and I promise you that I will not let you down. You have been more than helpful on many occasions when I have needed your help--and I have not written this letter selfishly or thoughtlessly--I want to help where I can give my best; ne

Thank you again for any light you can throw me in this, and with my kindest personal regards, --

I remain - -

Jack

P.S. I want active service with troops not a staff job.

Maj. J.P. Green
O-236934
542 Eng Amphibian Regt.
APO #713
c/o P.M., San Francisco

Dec 6
1949
New Guinea.

Dear Col. Bill:-

I have written Ray Baldwin about my situation here and he wrote me he had spoken to you.

To put it briefly:- I have been and am in an amphibious Regt. Have had our share of action in assault landings, and one run resupply in the Nassau Bay, Lae, Salamaua Campaign. We operate L.C.Vs and L.C.Ms.

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heart - I'm anxious to get this
mess over with and go home.

Anything you can do would
be more than appreciated by me
and I promise you I will not
let you down. You have been
more than helpful on many
occasions when I have needed
your help - and I have not
written this letter selfishly or
thoughtlessly - I want to help
where I can give my heart; me

Thank you again for
any light you can throw on
this, and with my kindest
personal regards,

I remain -

Maj. J. P. Green

0-256934

542 Eng Amphibious Regt.

A.P.O. #715

20 R.M. San Francisco.

P.S. - I want active
service with troops
not a staff.

Green Mail P 12,969
X Baldwin Raymond P

8 February 1944

Mr. Raymond P. Baldwin
3200 K Street, N. W.
Washington, D. C.

Dear Mr. Baldwin:

In view of your letter of 31 January 1944, I thought I should inform you that we have received Major Green's V-mail letter of 11 January 1944 to you, and your reply of 31 January 1944, but that we have not been able to call them to the attention of General Donovan since he has been absent for some time from Washington. However, they will be called to his attention immediately upon his return.

Very truly yours,

G. Edward Buxton
Acting Director

*Given May 12, 1969
x B. Aldwin Raymond*

P.C. not returned

2200 R Street, N. W.
Washington, D. C.
January 31, 1944

Gen. William J. Donovan
Director
Office of Strategic Services
Administration Building
25th & M Streets, N. W.
Washington, D. C.

Dear Bill:

I am enclosing the latest from Jack Green, together with a copy
of my reply to him.

I hope we can get together some time before the new year goes by,
but know from remarks of your admiring staff how busy you are.

Sincerely,

Ray

Raymond P. Baldwin

Enclosure

[Faint circular stamp, possibly "RECEIVED"]

RAYMOND P. BALDWIN
 2200 R Street, N. W.
 Washington, D. C.
 January 31, 1944

RAYMOND P. BALDWIN
 2200 R Street, N. W.
 Washington, D. C.
 January 31, 1944

Dear Jack:

I got your V-mail letter of January 11 saying that you had not as yet heard anything from Bill Boneman and requesting that I find out whether he received your letter.

As a reminder to him I am sending him your letter and a copy of this.

I was very proud to hear of your decoration, and hope that you may get a transfer in order that we may all see you again and learn at first hand something of what you have been going through.

I saw Boneman in New York - looking very well.

Bede will be very glad to hear from you, as her only objection to England is that she gets very little mail.

The best of luck.

Affectionately,

Raymond P. Baldwin

Grundy, Thad 13963

MOTOR TORPEDO BOAT SQUADRON FIFTEEN
Fleet Post Office
New York, N. Y.

March 2, 1944

Brigadier General W. J. Donovan
Office of Strategic Services
United States Army
Washington, D. C.

Dear General Donovan:

Shortly after you left our boat, we found a nail file bearing the initials "W. J. D.", which naturally led us to believe that the file is yours. Therefore, we are mailing it to you under separate cover.

I received your very gracious letter from Colonel Rauterhan on my next visit to Casserta, and I appreciate the sentiments conveyed therein much more than I can express in words. In this particular branch of the Navy I have been placed in contact more often than usual with officers of general and flag rank, but in all these experiences I have never had any passenger as generous and considerate in his attentions toward junior officers and crew alike as yourself during your several cruises on PT 218. Ensign Tooley and I often discuss those days, looking back on them with the greatest pleasure, and you may be quite certain that our crew is even more vociferous in their appreciation. (Particularly Houston, the cook, whose beans have now become a subject of renown throughout the Squadron!)

Tooley joins me in expressing our thanks, and also the hope that we'll have you on board again some time for another highly entertaining and thoroughly satisfactory cruise. We wish you the best of luck in all your undertakings.

Very truly yours,

Thad Grundy

Thad Grundy
Lieutenant (jg), USNR

CAB

Gen. Wm. B. 14136

4 April 1944

Mr. William B. Groat, Jr.
12 East 41st Street
New York, New York

Dear Mr. Groat:

I am writing to you in the absence of
General Donovan.

Since Secretary Knox was away when your
letter of March 27 arrived, General Donovan
forwarded the letter to him with a covering
note. We have just received his reply, a copy
of which is attached. There seems little that
either General Donovan or Secretary Knox can
do under the circumstances, anxious as each is
to help.

Sincerely,

O. C. Doering, Jr.
Lt. Colonel, AUS
Executive Officer

ATTN
Attachment

Groat, Wm B US 14136

THE SECRETARY OF THE NAVY

WASHINGTON

March 30, 1944

My dear Bill:

I have just returned to Washington after a week's absence and find your note of March 29 enclosing a letter to you from Bill Groat.

I have read this letter very carefully, but quite frankly I don't see how I can be of help. As you may know, Secretary Stimson and I have an agreement not to interfere in personnel matters under the jurisdiction of the other department or make requests for favors involving transfers.

I note that young Groat has been in the Army almost a year and a half now. Moreover, the Navy has closed its recognition school and even if I were to intervene there would be no appropriate billet in which the Navy could have young Groat installed. I believe that his problem is one which the Army alone can solve. I am very sorry that I can't be of help.

Yours as ever,

Frank Knox

Brigadier General William J. Donovan
Office of Strategic Services
25th and M Streets, N. W.
Washington, D. C.

29 March 1944

Honorable Frank Knox,
Secretary of the Navy,
Washington, D. C.

Dear Frank:

✓ Here is a letter from Bill Groat, who you remember was one of your very strong supporters in your campaign for Vice President.

He is a very decent fellow, and if there is anything that can be done for his boy, I hope you feel that you can do it for him.

Sincerely,

William J. Donovan.

Groat, Wm. B. III . 14.136

(COPY)

LAW OFFICE
WILLIAM B. GROAT, JR.
22 East 41st Street
New York

March 27, 1944

Brig. General William J. Donovan
Office of Strategic Services
25th and F Streets, N.W.
Washington, D. C.

Dear Bill:

It was nice talking to you on the telephone last night. I want you to know that I will more than appreciate anything you can do for my son, Bill.

After much trying, he finally got into the Army Air Force. He enlisted in November, 1942. After doing so-called "contact work" in connection with air observers, he was sent to the Army Recognition School at Orlando, Florida. Upon his return to New York, he was sent all around the metropolitan area, instructing air observers and from a number of our mutual friends in the Legion, who heard him. I understand he did a real bang-up job.

He was next sent to the Navy Recognition School at Ohio State University. At the time of his departure, his Colonel told him that if he did a good job at the School, he would be commissioned on his return to New York. He was one of five Army men in a class of over 200, who ranked from Lieutenant-Commander down. At the end of the first month, he was tied for leadership in the class. At the end of the second month, he was tied for second place. One of the commanding officers of the School asked him some time before the completion of the course, whether or not he would be interested in a Navy commission if it could be arranged to have him transferred from the Army. They were interested in retaining him at the School as an instructor. With the thought of the commission in the Army on his return to New York, he naturally answered, "No".

When he got back to New York, he found that he had new commanding officers and they knew nothing of any promise to commission him. Other Army boys who attended the school prior to Bill and who had only had a six-weeks course had already been commissioned and some of them today rank as high as Major. After being in New York

for just a few days, he was sent to the Greenville Army Air Base at Greenville, South Carolina. This assignment came by reason of a special request for him from the commanding officer at the base. He knew of Bill's ability through our mutual friend, Major Charles Blackwell, who had been one of Bill's officers at one time.

On his arrival at Greenville, he found that no recognition was being taught and he was delegated to set up a recognition school. The school was started and since that time Bill has been teaching officers seven and eight hours each day. The day the school opened, his Colonel instructed him to apply for a Warrant. This Bill did and at that time you were good enough to give him a letter testifying as to his ability and character. He passed the examination before the Examining Board in connection with this application. The Board at that time told him that he should be commissioned. After some months of waiting, he was informed that no more warrants were being issued. In the meantime, he was made a sergeant.

I visited him at the base about a year ago and his commanding officer told me what a wonderful job he was doing. Since that time I have spoken to other officers from the base on the occasion of their visits to New York and they too confirm his work. The trouble is that he is the only one who knows anything about recognition and my own opinion is they are just so satisfied with him, they intend to keep him there.

Recognizing that everyone should be in the spot where he can contribute most to the common effort, I have been telling him to do the best job he possibly can and to keep his spirits up. The danger is, however, that his spirits have reached a low point and his morale is shot.

It is a known fact that the Navy is in dire need of men who know recognition. There are comparatively few men who are really qualified in this branch of work. In view of the fact that Bill is a college graduate and was attending Columbia Law School at the time of his entrance into service, and graduated not only from the Army Recognition School, but from the more complete and thorough Navy School at Ohio State University, I have a feeling that the Navy would be very much interested in getting their hands on him.

In the midst of this terrific struggle that we are in, when men's minds and thoughts are on much more important matters, I have

hesitated to ask anyone's help. However, as Bill's father, I cannot close my eyes to his state of mind and his low morale.

As I told you on the telephone, I called you to see whether you could arrange an appointment with Frank Knox or one of his subordinates. I am convinced that if Bill's qualifications were properly considered, the Navy would offer him a commission. I know he could fill any job with competence and honor. If he could get a commission or a warrant in the Navy, I am sure that the transfer from the Army could be arranged.

You will notice that I have mentioned nothing about the commission in the Army. If, in your judgment, you think this would be a better line to pursue, I will follow any suggestion you have. I emphasize the Navy because I know of their acute need for men trained in recognition.

Forgive me for bothering you with what I know is a petty matter in these hectic days. I know you will understand that I turn to you because of my high regard for you and because I know you will forgive me for trespassing on your time.

It is needless for me to tell you that I will deeply appreciate anything you can do. If you should arrange a meeting with anyone in the Navy Department, I will keep the appointment and would appreciate being called collect at my office--Murray Hill 3-1037.

Please accept my every good wish for your continued good health and success.

Sincerely yours,

/s/ Bill

WBG:KGB

(Dictated, but not read, by Mr. Groat.)

P.S. Bill's address is:

Sergeant William B. Groat, III
Army Serial Number 12182632
Greenville Army Air Base
Greenville, South Carolina

Read Gen J. M. 1413

LAW OFFICE
WILLIAM B. Groat, JR.
12 EAST 41ST STREET
NEW YORK

March 27, 1944

Brig. General William J. Donovan
Office of Strategic Services
25th and E Streets, N. W.
Washington, D. C.

Dear Bill:

It was nice talking to you on the telephone last night. I want you to know that I will more than appreciate anything you can do for my son, Bill.

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When he got back to New York, he found that he had new commanding officers and they knew nothing of any promise to commission him. Other Army boys who attended the school prior to Bill and who had only had a six-weeks course had already been commissioned and some of them today rank as high as Major. After being in New York for just a few days, he was sent to the Greenville Army Air Base at Greenville, South Carolina. This assignment came by reason of a specific request for him from the commanding officer at the Base. He knew of Bill's ability through our mutual friend, Major Charles Blackwell, who had been one of Bill's officers at one time.

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Brig. General William J. Donovan

-2-

March 27, 1944

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Recognizing that everyone should be in the spot where he can contribute most to the common effort, I have been telling him to do the best job he possibly can and to keep his spirits up. The danger is, however, that his spirits have reached a low point and his morale is shot.

It is a known fact that the Navy is in dire need of men who know recognition. There are comparatively few men who are really qualified in this branch of work. In view of the fact that Bill is a college graduate and was attending Columbia Law School at the time of his entrance into service, and graduated not only from the Army Recognition School, but from the more complete and thorough Navy School at Ohio State University, I have a feeling that the Navy would be very much interested in getting their hands on him.

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You will notice that I have mentioned nothing about the commission in the Army. If, in your judgment, you think this would be a better line to pursue, I will follow any suggestion you have. I emphasize the Navy because I know of their acute need for men trained in recognition.

General Wm. J. P.

-3-

March 27, 1944

Forgive me for bothering you with what I know is a petty matter in these hectic days. I know you will understand that I turn to you because of my high regard for you and because I know you will forgive me for trespassing on your time.

It is needless for me to tell you that I will deeply appreciate anything you can do. If you should arrange a meeting with anyone in the Navy Department, I will keep the appointment and would appreciate being called collect at my office--Murray Hill 3-1037.

Please accept my every good wish for your continued good health and success.

Sincerely yours,

Bill

WBG:KGB

(Dictated, but not read, by Mr. Groat.)

P.S. Bill's address is:

Sergeant William B. Groat, III
Army Serial Number 12182832
Greenville Army Air Base
Greenville, South Carolina

Fig 22.711
Greenlee
X Difficulties 2.2.71
SECRET

OSR FORM 1100
(Rev. 10/21/45)

EXPENSE ACCOUNT

DATE ~~March 9, 1945~~

TO: Special Funds Branch
FROM:

I hereby certify that the expenses itemized below were incurred by me in connection with official business of a confidential nature for the Office of Strategic Services, and that I have not been, nor will I be, reimbursed for such expenses from any other government or private service.

Transportation	\$
From To	
Commencing Ending	
Hotels and Meals	
(Not over \$6.00 p.d. domestic or \$7.00 p.d. abroad)	
Messages	
Taxis	
Obtaining Strategic Information	355.00
(details available in my files)	
Special Activities	
Others (Specify)	
Total	

Remarks:

Project No. _____

Richard S. Greenlee
Signature
Richard S. Greenlee
Department

SECRET

MYRE & TAYLOR CO.
Jewelers
1808 CONNEMECT AVENUE
WASHINGTON

March 8 1946
Received of Mrs. Schugler, Hollingsworth
1310 1/2 St. N.W.
For Silver Link watch
\$5.00
W. C. Galt

Hunk & Seastrom
Jewelers

122 Connecticut Avenue

Washington 6, D.C.

District 6566

March Eighth
1948

Mrs. Sawyer Hollingsworth, III

14K Gold Pen and Pencil Set
Sterling Silver Lighter
14K Gold Cuff Links
14K Gold Tie Clasp
14K Gold Money Clip

\$ 125.00
20.00
55.00
20.00
50.00

\$ 270.00

RECEIVED PAYMENT
3.8.48
HUNK & SEASTROM
BY *[Signature]*
Thank You!

Hunk & Seastrom
Jewelers

JOHN M. GREGORY
186 WALNUT ST.
SAN FRANCISCO, 18

Gregory, John M. 18, 000

5 March 1948.

My dear General Donovan,

Thank you for your letter of February 23rd,
which answers my questions most satisfactorily.
I hope you were not put to too much bother
looking into the subject.

This is the second time you have gone
to some trouble on my account, the first
being in January, 1942, when I was in
Washington for a few hours. If you should
be in San Francisco I hope that you will
give Mother and me the pleasure of doing
what we can to make your visit more
enjoyable.

Sincerely,
John M. Gregory

DSS FORM 4001a

Date 25 Feb 45To: General Donover

There is attached a letter
for your signature regarding Air
Evaluation Boards, in reply to an
inquiry from Mr. John M. Gregory.

The letter contains informa-
tion provided by RAA.

John W. Auchincloss
John W. Auchincloss
1st Lt., JAGC

Col. Barton Leach, Major & d.
law professor on leave, leads
up the task - which helps
explain the predilection
Office of the Secretariat
for lawyers.

(3199)

RT

16, 200

Gregory, John M.

23 February 1945

Mr. John M. Gregory
108 Walnut Street
San Francisco 18, California

Dear Mr. Gregory:

I am writing in reply to your letter of 7 February concerning Air Evaluation Boards. You asked specifically what was the purpose of such Boards, and why civilian attorneys were needed to work on them.

I have asked about the Boards, and I find that they have been operating for some time in various theaters for the Army Air Forces. They perform a number of functions depending on the particular situation in the theater and interests of the heads of the Army Air Forces and the Office of the Secretary of War. Essentially, their task is to undertake an impartial appraisal of the evidence they can secure on questions of both strategy and tactics in the use of air power. They may be called upon to evaluate different methods of attacking a tactical target based on the actual experience in the field; the value of different types of formation flying and protection of strategical bombers from flak or air attack; or the extent to which air power was a contributing factor to the success of a particular military operation.

These examples are hypothetical but suggest the general character of the problems presented to these Boards. It is my understanding that civilian lawyers are sought on the basis that they are capable of analysing and weighing evidence and that as civilians they will be impartial in their judgment.

I hope that this is the information you wanted, and that it will be useful to you.

Sincerely,

William J. Donovan
Director

JWA:exp

088 Form 1448

TO:

St. Archduke

21/2/45

The attached is in response
to your request for
information re letter to
Gen. Donovan from
John W. Gregory.

A.

FROM: WM. L. LANGER

(24384)

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. John W. MacIntyre
 FROM : Edwin M. Martin
 Via : William L. Lister
 SUBJECT: Request for information on "Air Evaluation Boards"

DATE: 21 February 1946

"Air Evaluation Boards" have been operating for some time in various theaters for the Army Air Forces. They perform a number of functions depending on the particular situation in the theater and interests of the heads of the Army Air Forces and the Office of the Secretary of War. Essentially, their task is to undertake an impartial appraisal of the evidence they can secure on questions of both strategy and tactics in the use of air power. They may be called upon to evaluate different methods of attacking a tactical target based on the actual experience in the field; on the value of different types of formation flying and protection of strategic bombers from flak or air attack; or the extent to which air power was a contributing factor to the success of a particular military operation.

These examples are hypothetical but suggest the general character of the problems presented to these Boards. It is my understanding that civilian lawyers are sought on the basis that they are capable of analyzing and weighing evidence and that as civilians they will be impartial in their judgment.

Mr. John V. Archibald

21 February 1948

Edwin M. Martin

William L. Langer

Request for information on "Air Evaluation Boards"

"Air Evaluation Boards" have been operating for some time in various theaters for the Army Air Forces. They perform a number of functions depending on the particular situation in the theater and interests of the heads of the Army Air Forces and the Office of the Secretary of War. Essentially, their task is to undertake an impartial appraisal of the evidence they can secure on questions of both strategy and tactics in the use of air power. They may be called upon to evaluate different methods of attacking a tactical target based on the actual experience in the field; on the value of different types of formation flying and protection of strategic bombers from flak or air attack, or the extent to which air power was a contributing factor to the success of a particular military operation.

These examples are hypothetical but suggest the general character of the problems presented to these Boards. It is my understanding that civilian lawyers are sought on the basis that they are capable of analyzing and weighing evidence and that as civilians they will be impartial in their judgment.

Edwin M. Martin:CL

Date 18 February 48

To: General Donovan

We have sent a copy of this letter to Mr. Langer and asked him for the information which Mr. Gregory wants, so that we may prepare a reply for your signature.

John W. Auchincloss
John W. Auchincloss
1st Lt. JAGC

To Ed [unclear]

Please keep in touch with this

Office of the Secretariat

(9199)

16, 200
 J. Gregory Jones, Jr.
 JOHN M. GREGORY
 186 WALNUT ST.
 SAN FRANCISCO, 18

7 February 1948

Dear Col. Donovan,

I wonder if you would be in a position to do a little high class snooping for me. Here is the situation -

The 9th Service Command has publicized through The San Francisco Bar Association a call for lawyers between the ages of 30 and 50 to go to the Southwest Pacific Area as civilian members of an "Air Evaluation Board". The activities of which are to gather and analyze information to be used to determine the effectiveness of air operations in that theatre. The lawyers selected would be civil employees of the Government, paid for under the provisions of section 9 of the current Military Appropriations Act, and, subject to a maximum of \$125 per year or \$25 per day, would be paid pursuant to a "no gain - no loss" policy, in other words, on the basis of salary or income at the time of accepting the job. The job will last at least a year, maybe longer.

I have filed an application for this job. In about two or three weeks a man from the Personnel Office of the 9th Service Command will be in San Francisco to interview those who have applied. Three questions stand out in my mind which require definite answers before a final decision is made. First, what is the real purpose of such a board in that area (it will function in the Philippines, the press announcement states, though other places may be used from time to time)? Second, why does the Army Air Forces need civilian attorneys for such work when there are plenty of uniformed lawyers sitting at desks throughout the land? Third, is it possible that the work of such a board will comprise pioneer activities in the organization of air bases or territory in the area? This last question is, of course, speculative, and the answer to it would not necessarily determine my action.

The situation in connection with my present work

as a member of the legal staff of the California Railroad Commission is this - if I decided to go it would be on the basis of a dear of absence, so my job here would be protected. I feel that whatever training I have had here, and as assistant U.S. Attorney, would be helpful - and in addition my Spanish is fluent. My two daughters are now grown - the older enters college next week and the younger is 15. Both live with their uncle and aunt, under legal guardianship, in North Hollywood. All in all, I see no reason why, if the proposition is not someone's idle dream back at a desk in Washington, ~~that~~ I shouldn't go for it. Here is where you come in, if it is within the orbit of your inclination. A proposal such as this one at least surely must have stemmed from some responsible source, either in the Army Air Force, the War Department, or the State Department. If I could get a brief answer to my first two questions, it would greatly help in determining whether to pitch in and do such a job or not. Discreet inquiry, within the limits of your friends in Washington, might turn up more answers.

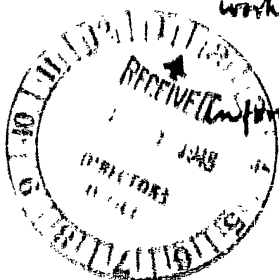
Anything you can do would be tremendously appreciated.

As for the family, Mother is well, Gertrude and her 14 year old daughter are with her, and Peggy and her almost 9 months old baby girl, Carolyn, are living in San Francisco. Peggy's husband, Ralph Campfinglin, is in the Philippines with the Navy Supply Corps. He should be back on leave (if he gets a break!) next August. A. D. Schindler, whom you may remember, is still the hard working engineer at 83, putting in a full day's work every day.

With kindest regards, and thanks for any information you can conveniently impart, I am

Sincerely,

John W. Gregory



COPY

JOHN M. GREGORY
106 Walnut St.
San Francisco, 18

16, 20

Dear Col. Donovan,

7 February 1945

I wonder if you would be in a position to do a little high class snooping for me. Here is the situation-

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The situation in connection with my present work as a member of the legal staff of the California Railroad Commission is this-if I decided to go it would be on the basis of a leave of absence, so my job here would be protected. I feel that whatever training I have had here, and as assistant U.S. Attorney, would be helpful-and in addition my Spanish is fluent. My two daughters are now grown-the older enters college next week and the younger is 15. Both live with their uncle and aunt, under legal guardianship, in North Hollywood. All in all, I see no reason why, if the proposition is not someone's idle dream back at a desk in Washington, I shouldn't go for it. Here is where you come in, if it is within the orbit of your inclination. A proposal such as the one at hand surely must have stemmed from some responsible source, either in the Army Air Forces, the War Department, or the State Department. If I could get a lucid answer to my first two questions, it would greatly help in determining whether to pitch in and do such a job or not. Discreet inquiry, within the limits of your friends in Washington, might turn up those answers.

Anything you can do would be tremendously appreciated.

As for the family, Mother is well, Gertrude and her 14 year old daughter are with her, and Peggy and her almost 9 months old baby girl, Carolyn, are also well. I am in the

Philippines with the Navy Supply Corps. He should be back on leave (if he gets a break) next August. A. D. Schindler, whom you may remember, is still the hard working engineer at SS, putting in a full day's work every day.

With kindest regards, and thanks for any information you can conveniently unearth, I am

Sincerely,

John M. Gregory

CONFIDENTIAL

HEADQUARTERS
2677th REGIMENT
OFFICE OF STRATEGIC SERVICES (PROV.)
APO 512

16. 309.
Green, Mary
Ferguson

13 January 1945

MEMORANDUM TO: The Director, OSS, Washington, D. C.
SUBJECT: WAC T/4 Mary Jane Green, A-514414

1. The enlisted man who is father of the child this girl will bear is S/Sgt James J. Ferguson, ASN 6931350.
2. Sgt. Ferguson has been missing in action since 4 October 1944, when the aircraft "Lady Irene" of the 885th Bombardment Squadron (H) vanished after taking off on an operational supply drop in Yugoslavia. No radio contact was made with this aircraft after its departure nor has any word of it been received since. It has been presumed shot down by enemy action or wrecked by crashing into a Balkan mountainside.
3. Sgt. Ferguson's next of kin is his sister, Mrs. Vivien O'Leary, P. O. Box 662, International Falls, Minnesota, with whom he lived at the time he entered service. He has another sister, Mrs. Mary Neveau, P. O. Box 227, Houlton, Oregon, named co-beneficiary with the first, on his government insurance policy.
4. Sgt. Ferguson was awarded the Air Medal for flights between 3 and 11 August 1944.
5. The identity of this enlisted man was revealed to us only in the strictest confidence and upon our promise that it would be passed on to the Director only, to be used in an effort to bring these two people together in the event Sgt. Ferguson has survived.
6. If this enlisted man turns up while the organization of the Regiment is still intact in Italy, steps will be taken to effect his return to the United States for that purpose. But since it is not entirely improbable he will turn up some time ante-dating the liquidation of the 2677th Regiment, it is suggested that some measure be taken toward this end at the Washington Headquarters.
7. It is earnestly requested that we respect the confidence of our informant and not divulge to T/4 Green the fact that we know the identity of the soldier concerned.
8. To the best of our informant's knowledge, and she was so informed by T/4 Green, Sgt. Ferguson did not know of the girl's condition.

EDWARD J. F. GLAVIN
Colonel, Infantry

NOTE: This was originally held for delivery to General Donovan on his return visit to Caserta and now is transmitted for his information since he returned to Washington directly from Cairo.

CONFIDENTIAL

26 February 1945

file 16. 463
 CONFIDENTIAL
Gridley, James Monroe
 November 28, 1944

To: General William J. Donovan
 From: G. Edward Buxton

Bob Thrun and Ned Putzell have spoken to me about our interest in getting Colonel Gridley's son into West Point. I assume that the only way we can accomplish this is through one of the Presidential appointments at large. I understand that these appointments exist for the benefit of regular Army officers who do not have close affiliations with Congressmen and Senators from their States of origin.

If OSS rather than someone like Admiral Leahy or General Marshall are to make the request (and they would be the natural sponsors) I suggest that you write a letter to the President expressing the request that Colonel Gridley's substantial services to the Joint Chiefs, and particularly as liaison officer from them to the OSS, be recognized by the appointment of his son who is said to be excellent material.

Another way might be for Harry Lowman to speak to Harry Hopkins and ask him to say a word to the President on behalf of Colonel Gridley's son.

GEB

GEB TS

CONFIDENTIAL

16,463

G. d. l. y.

25 November 1944

MEMORANDUM TO: Colonel Buxton
FROM : Executive Office

The name of Colonel Gridley's son is James Morris Gridley. He resides at 2941 Chesapeake St., NW. He is 18 years of age and attends Sullivans Preparatory School in Washington. This is a one-year preparatory course for the necessary examinations. He was a senior in high school last year but was withdrawn for health reasons. Hence, this year's course is a combination of preparation for examinations and completion of his high school.

Colonel Gridley's home state is Missouri, where he owns some property and where he last voted. His wife's home state is Oklahoma. He has spent, while in the Army, time in many states including Kansas. Apparently, many "expedients" are used so far as residence is concerned in obtaining appointments for officers' sons.

Robert Thrun

3 Nov 27
3 PM.

JUNCTION, Email 9783



UNICON COMPANY

CARBIDE & CARBON BUILDING

912 BALTIMORE AVE.

KANSAS CITY, MISSOURI

February 8, 1943.

Personal

Mr. James R. Murphy
Office of Strategic Services
Washington, D. C.

Dear Jim:

As per our telephone conversation yesterday, herewith please find enclosed copy of letter that has been addressed to the United States of America, Smaller War Plants Corporation, Washington, D. C.

While I was in Washington, I talked with Mr. Harwood Gilder in the Smaller War Plants Office in the Raleigh Hotel, and discussed what we would like to do with the plant we have recently purchased at Independence, Kansas, and Mr. Gilder gave me several forms to be filled out and stated that he would have the local representative of the Smaller War Plants Corporation call on us to discuss the subject with us. In addition to telling me this, he gave me Form SWPC-1 which is "Application For Financial Assistance".

Mr. Gilder was very attentive to me when I was in his office and since my return, I have had several discussions with the local man in the War Production Board office and believe that they agree that Unicon offers unusual possibilities and through them we have obtained Forms WFB 1546 which has to do with Plant Facility Record for the Joint Use of the Armed Services and War Production Board. There are several other forms that we will have to fill out. It was suggested that we get up a brochure and submit it along with the various forms that have been completed, outlining as clearly as possible all of the supporting data we could in order to have request for financial assistance looked on favorably. This information is being prepared and will be submitted in duplicate to the local office of the War Production Board and from there sent to Washington, D. C.

Jim, as you know, it is difficult to outline a proposition properly by correspondence, particularly one that has the possibilities offered by Unicon units and Unicon system. Therefore, I think that the way for me to really get this job done is to come to Washington and endeavor to present the story personally, and I appreciate your suggestion that arrangements might be made whereby I could discuss this with

UNICON COMPANY

Page #2

Mr. James R. Murphy

Feb. 8, 1943.

some official of sufficient importance to listen to the story and help our case along.

I hope you do not think that I am presuming on friendship to ask you to read this long harangue, but I have tried to make it as brief as possible and will appreciate your comment, and if you care to, call me collect at the office, Victor 5180, as it is my plan to leave here probably not later than Thursday of this week, so that I may stop off in Cleveland en route to Washington to be there Monday morning, February 15th.

The Navy seems to be especially in need of a water-tight packing case that can be used for shipment of products that are dropped overboard and floated in on the tide for landing parties. It looks like we have the answer to this subject and will know definitely this week, as we will have completed a packing case that is being shipped to St. Louis for testing purposes in the laboratory of the Presstite Engineering Company. If the case performs, as we believe it will, the opportunity to be of service to the Navy with this idea should reach considerable volume.

Thanks for your permission to make the statement that the Office of Strategic Services is interested in Unicon.

Looking forward to seeing you and Colonel Donovan when I am in Washington, with best personal regards,

Sincerely,



ESG:hw
Enc.

February 8, 1943.

United States of America
Smaller War Plants Corporation
Washington, D. C.

Gentlemen:

As that our request for financial assistance may be clearly understood and be given favorable consideration, we are outlining herewith certain facts that may be confirmed upon investigation, and facts that in our opinion are of importance to the Government in order to give proper assistance in War Production work.

The Union Company has been approved as a prime contractor by the Material Center of the Air Forces at Wright Field, Dayton, Ohio, and by the Air Service Command at Patterson Field, Fairfield, Ohio. Contracts have been given to the company calling for the furnishing of several different types of structures. These contracts have been fulfilled and payment has been made to the Union Company. In addition to these contracts with the Material Center, we have been given repeat orders, which orders were issued from the Material Center at Wright Field, and the Air Service Command at Fairfield, Ohio. Attached to this letter are copies of letters that we have received from Wright Field, Patterson Field, Office of the War Production Board, Civil Aeronautics Administration, Department of Commerce, supporting the interest in Union by these procurement departments.

Since January 1941 the entire effort of the Union Company has been devoted to defense and war production work. It is the desire of the company to further contribute in the belief that if the requested financial assistance is granted, the company can make a major contribution in war production work and serve the Government in a meritorious manner by furnishing a product and system that have been given favorable consideration by all agencies interviewed.

The suggested reasons for granting assistance are the following:

1. Union Company's material and system are completely engineered and recognized by engineers, architects and contractors as being a valued contribution to the industry. Government officials, personnel of the Armed Forces and civilian personnel employed in various branches of the Government approve the product and system, and recognize entirely the value and merit of the product.

Page 12
 Union Iron Works Corp.,
 February 1, 1942

2. Iron production can be obtained quickly through straight line fabrication and assembly, requiring a limited amount of standard machinery equipment. In Union material and system are to be produced from steel in the United States. If produced from steel, the normal amount of fabricating equipment is required, such as shears, power brakes and punch presses, hot rollers or cold steel stamping equipment.

3. By complete standardization of all parts, these parts being interchangeable throughout the entire system, substitution of various parts and location within or upon required in existing transportation facilities is greatly reduced.

4. Union material and system are readily adaptable for many uses, either by the Government for creation of structures in the Continental United States or for the creation of structures in the theater of operations. It functions equally as well for use by the Department of Agriculture for every type of structure used on the farm.

5. The Union Company because of its complete engineering, architectural and mechanical experience, plus the fact that all parts are standardized and interchangeable, has eliminated the necessity of the employment of skilled labor. Unskilled labor, either male or female, may be employed in the fabrication of the product and upon delivery to the point of destination, erection of a structure may proceed by thoroughly unskilled and unskilled labor. The Union system has been worked out so completely that few architectural details or construction instructions are necessary. The fact that units are interchangeable and may be placed in any position in a structure and that after a structure is erected, the same structure may be extended in size or decreased at will, say Union units may be removed at any time when the structure is complete, and changed to other position without disturbing the adjoining unit or structural members.

6. By the reduction of parts required to completely assemble Union units and component or collateral parts used as structural members, transportation facilities have been greatly increased, therefore, affording machine loading facilities by truck, rail or ship. Union units may be produced in sections of 1' or any multiple. This offers an opportunity because of the standard dimensions, to transport Union units, using less cubic feet space than the normal type of structure.

7. Engineering tests have been made by recognized authorities, who have proved the structural efficiency of Union units and system. This data taken during the tests that have been made is available.

8. Union units and system can be produced, using the minimum of critical materials, therefore, requiring in most cases fabricated steel parts such as bolts and fasteners. The actual amount of critical material represents a percentage of approximately 25, which percentage includes hardware for doors and windows.

Page 71
 Reel 100-100000-1
 January 1, 1955.

9. All Union units and component or structural parts are produced in a size that can be handled easily by one man in the field and can be transported in standard Army trucks.

10. The ease by which Union units and Union system may be adapted to the large variety of uses by the Government, the simplicity of erection and dismantling, the ability to store, transport and the volume possibilities of all parts for re-use at a later date, if practical.

11. The collateral interest by others having existing facilities which may easily be converted to mass production of Union units and Union system. The elimination of the necessity of fabricators strategically located to have a. their organization a highly trained, technical staff. The Union Company can assist other fabricators through its highly trained, technical staff and fabricating facilities in order to expedite the delivery of the Union products. It, therefore, is unnecessary for existing facilities to have an engineering, architectural or development staff, and if Union Company can produce its own product in straight line production as shown on print of Operations Plan To Be Installed at Independence, Kansas, where the daily production is based on eight hours in 1950 completely finished Union units 4' x 8', there would be little difficulty to immediately start production on mass volume with interested fabricators.

12. Union units and Union system offer definite possibilities in the post-war period, an application of this product and system can aid in rehabilitation construction, construction of farm structures, housing and commercial construction.

13. The plant facilities purchased by the Union Company at Independence, Kansas; the type of machinery specified to be installed; the straight line production plan of Union Company; the labor situation and transportation facilities assure Union Company that production schedule may be maintained as outlined.

14. A production schedule has been worked out to produce on an eight hour basis 400 complete Union units and collateral parts required for this volume of units. If two shifts were employed eight hours, it is possible to produce 1,000 complete Union units and collateral parts.

15. The knowledge of handling Government contracts, the experience gained over a number of years in advance of defense and war production work, place Union Company in our opinion in an ideal position to be of real service to the Government at this time.

The Union Company has been requested to furnish data for use of its material through these various departments of the Government:

Army Department, Bureau of Tech & Equip - water-tight packing case.

Page 2
 Union Ice Plants Corp.,
 February 2, 1952.

Office of Strategic Services - Office structure.
 Department of Commerce, Civil Aeronautics Administration, - Quarterhouses
 for planes, at Anchorage, Alaska.
 Department of Commerce, Civil Aeronautics Administration -
 Type IV Radio Facility.
 Army Air Force, National Center, Wright Field - Transportable Photo-
 graphic Laboratory.
 Air Service Command, Patterson Field, - Maintenance Hangars.
 Chief of Engineers, War Department - 30 Type Barracks.
 Carnegie Institution of Washington, - Terrestrial Magnetic Survey -
 Quarterhouses.
 Connally Grain Corporation - Grain bins and other farm structures.
 Transcontinental Western Airlines - Assembly Buses.
 Pratt-Whitney Company - Assembly Buses.
 Logistics and Publications Branch, Air Service Command - Partitions.
 National Housing Agency, Federal Public Housing Authority - Temporary
 housing HUD Series.

The Union Company has furnished Transportable Photographic
 Laboratories, Maintenance Hangars and Warehouses. These projects were
 all fabricated from steel. The hangars and warehouses were constructed
 of combination materials - steel insulated Union units and laminated
 wood arches. Shipment of these structures was made to the Northwest,
 California, Florida, Connecticut, Delaware, Wright Field and Patterson
 Field.

The structures described as warehouses have been erected at
 Patterson Field and used by the Logistics and Publications Branch of the
 Air Service Command and are presently functioning as production and
 office units.

It is hoped that our company will have the opportunity to
 present its product through one of our representatives, as it is extremely
 difficult to outline the possibilities afforded by this facility in
 correspondence.

Yours very truly,

UNION COMPANY

H. S. Osgood, Jr.
 President.

HOS:hw
 Enc.



Grant, Cary 10,819
X Rathvon, N.P.

March 16, 1943

Mr. N. Peter Rathvon
Radio-Keith-Orpheum Corporation
RKO Building
New York, New York

My dear Mr. Rathvon:

Thank you very much for your note.
Of course I would like to see Mr. Grant, and
please tell him to come in.

Sincerely,

William J. Donovan
Director

Grant, Cary 10,819
**Rathvon, N. P.*

RADIO-KEITH-ORPHEUM CORPORATION
RKO BUILDING
NEW YORK

OFFICE OF THE
PRESIDENT

March 9, 1943

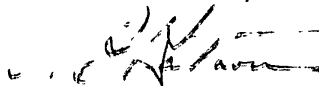
Colonel William J. Donovan,
25th and E Streets, N.W.,
Washington, D. C.

Dear Colonel Donovan:

Cary Grant was in to see me last week and stated that he probably would be in Washington sometime within the next thirty days and would like to call on you to express his appreciation of your willingness to use his services some time ago. I told him I was sure you would be glad to see him. This is just a note to warn you that he probably will 'phone for an appointment.

With kind regards,

Sincerely yours,



N. Peter Rathvon

German Propaganda 8021
X Col L
X Mr Leish
X Hon. W. Lyon.

British Political
Warfare Mission,
British Embassy,
Washington, D.C.
3rd September, 1942.

My dear Bill,

In case you have not seen this
before, I enclose a copy of a translation
of an article in "Das Illustrierte Blatt"
of the 25th July, 1942. You will see that
you receive considerable notice in this.

I have sent a copy to McLeish.

Yours,
David Ross

Colonel W. Donovan,
Office of Strategic Services,
25th and E Streets,
Washington, D.C.

SECRET

Colonel Rehm
Executive Office
"George" Project

16, 16.4
George Project
x 13nd pt
16 May 1945
y approval

The Director has instructed that James Miller and Company make an audit of the books and records of the "George" office in New York and report to the Executive Office in connection therewith.

Would you please instruct the Miller Company accordingly and ask them to communicate with the Executive Office prior to undertaking the assignment.

E. J. Putzell, Jr.
Lieut. (jg), USNR
Acting Executive
Officer

SECRET

SECRET*10.12.45*
*George Project**16 May 1945*

Colonel Reim
Executive Office
"George" Project

You are informed that as of 1 June 1945 "George" as well as his secretary will no longer be employed by this agency. However, in view of their valuable services to OSS and certain other considerations made known to the Director, their salaries are to be paid to them for a period of six months after that date.

The foregoing has the approval of the Director.

E. J. Putzell, Jr.
Lieut. (jg), USNR
Acting Executive
Officer

SECRET

To: Director's Files

5 FEB 1945
5 FEB 1945



John Magruder, Brig. Gen.
Deputy Director, OSS — Intelligence Service
(8636)

To: *Dir* *Mayruder*
Mohr

OSS Form 1050
(2302)

Director's Office

(00301)

SECRET**OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.**

TO: Colonel Edward G. Muxton,
 FROM: George.
 RE: Latin America.

New York, N.Y.
 January 6, 1945

Dear Colonel Muxton:

Referring to our recent telephone conversation, I am sending you enclosed herewith the promised memorandum. I must ask your indulgence for its length, but I thought that, if it were to be of any value to you, it should be comprehensive and detailed enough to give you a clear picture. I am encouraged in doing so by General Donovan's advice to communicate with you confidently in this matter, as you would handle it in his absence in order to avoid a temporary lapse of efforts which might prove detrimental to the end desired.

Not clear in detail about Mr. Rockefeller's reply to General Donovan, I am not certain whether it leaves enough room for a continuation of discussions in General Donovan's absence. I should like to suggest for your consideration the possibility of contacting Mr. Rockefeller before the General's return because we might gain time if it could be ascertained whether Mr. Rockefeller's reply is more in the nature of a polite retreat or whether he is interested enough and able to take practical steps. In the latter case, there would appear several ways of proceeding: either my having discussions with Mr. Rockefeller personally or submitting additional material to you for transfer to Mr. Rockefeller at your discretion.

It is, however, not only the Latin American aspect of my office which would appear to connect it - at least potentially - with the present reorganization of the State Department. Mr. William Clayton, in his new position as Assistant Secretary in Charge of Economic Affairs, which includes the two offices of Economic Affairs and Wartime Economic Affairs, is undertaking a great plan long overdue of reorganizing and extending economic intelligence. The office of World Trade Intelligence, our counterpart in the State Department with which we have been closely collaborating since the inception of this office, is part of the aforementioned Office of Wartime Economic Affairs. This appears,

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in a formal sense, to justify taking matters up with Mr. Clayton, as well as Mr. Rockefeller, and it seems very propitious that Mr. Clayton's right-hand man is Dr. Edward C. Mason, formerly of O.S.S., who is rather familiar with my office, has, at least in the past, always shown great interest in extending its activities to Latin America and has several times recently discussed the problem of my going down there with General Donovan. I wonder therefore if you would not think it possible to discuss the matter with Dr. Mason and then possibly also with Mr. Clayton. Inasmuch as the task of secret intelligence in Latin America is a twofold one, economic and political, as explained in my enclosed memorandum, it suggests itself that a combination of Mr. Rockefeller's and Mr. Clayton's interest and support in the matter might lead to results.

In the meantime, I have taken certain steps in reorganizing and slightly extending the staff of my office in order to cope with the new situation, which calls for a comparatively small increase in my budget which the Chief of S.I., as I understand, is in the process of approving.

If you should desire any further information or additional material, I shall be glad to furnish it. I shall also be prepared to come down and see you whenever you should wish me to do so.

Sincerely,

George

SECRET14289
*George Project*I

This office owes its existence to the fact that, as export manager of a pharmaceutical company, I managed early in 1940 to obtain inside knowledge of the complete blueprint according to which the Germans, by means of dummy corporations and supply centers in neutral countries, had organized the maintenance of their overseas business in evasion of blockade and black list controls. I volunteered my knowledge and advice to the State Department (Mr. Adolf Berle) which, at that time, however did not show much interest, and then to the Department of Justice (Mr. Francis MacNamara - Alien Property Unit) which, while showing great interest, did not feel legally able to take action. In order to obtain such action I subsequently contacted British Secret Intelligence in New York which, without delay, took appropriate steps and placed a great number of dummy companies on the Statutory List, at the same time clamping down on a group of Swiss holding companies of intrinsically German character centering around the Swiss Bank Corporation in Basle. At the request of the British, who needed an expert in German overseas business with particular experience in economic warfare, I broke off my business career and established this office on March 1, 1941. It was attached to British Security Co-ordination (British S.I.) in New York. From October 1941 on it was also attached to British S.O.

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in New York. The task of the office was to uncover and combat subversive economic-political activities of the enemy, particularly Germany, in the U.S.A. and Latin America - what has subsequently been called the "German penetration of the Western Hemisphere".

When the outbreak of war between the U.S.A. and the Axis enabled the U.S. Government to take measures against this penetration and when, furthermore, the McKellar bill made it impossible for the British Government to maintain such offices in the U.S.A. this office, on March 10, 1942, was taken over by the O.S.S. The transfer was made by virtue of an agreement between O.S.S. (General Donovan, David Bruce, Francis P. Miller) and British Security Co-ordination (W.S. Stephenson, John Pepper), with the express intention that, under the new jurisdiction it should continue its former activities. At the time of this transition, the office had finished most of its task with regard to the U.S.A. and was about to shift its emphasis to Latin America where, after Pearl Harbor, Buenos Aires had replaced New York as the center of German activities in the Western Hemisphere. According to General Donovan's instructions, the office was to seek its main task in S.I. and S.O. work in Latin America.

Not long afterwards, however, it became clear that Latin America was to be excluded from the jurisdiction of the O.S.S. Confronted with this situation, the question arose whether and how to continue the office. General Donovan put this question to the State Department (James G. Dunn) and to the B.S.C. (Mr. Stephenson). Both expressed the desire for continuation of the office because of

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its unique position as the only American office with sufficient knowledge and experience in secret economic and economic warfare intelligence, at least on Latin America. An agreement was made between General Donovan and Mr. Dunn according to which this office would transfer its information to the State Department (World Trade Intelligence Division) and, at the same time, be permitted, whenever advisable, to transmit copies of such information to other departments of the Government (Foreign Economic Administration, Justice, Treasury, Alien Property Custodian). A further agreement was made between General Donovan and Mr. Stephenson according to which British S.I. would continue to transmit all secret economic and economic warfare intelligence collected from its agents in Latin America solely to this office, for the benefit of the State Department and other U.S. Government agencies. In exchange for this General Donovan promised that this office would transfer to British S.I. such economic and economic warfare intelligence as it collected from its own sources if compatible with the interests of the U.S.A. The State Department was greatly interested in this arrangement because of the nearly complete failure of the F.B.I., not to speak of other intelligence services such as G-2 and O.N.I., in economic and economic warfare intelligence, none of these agencies having training in this special and most intricate kind of secret intelligence work. British S.I. was interested in this arrangement because it knew from experience that in economic and economic warfare intelligence it could not expect any degree of

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intelligent cooperation from the aforementioned U.S. intelligence agencies.

These arrangements have, for jurisdictional reasons, gentlemanly aspects, but their nature and have always been aimed at the fact that they have worked out most successfully and have avoided the danger of international complications afforded the U.S. intelligence agencies. These arrangements have afforded the U.S. intelligence agencies information and the ability to handle all matters of economic and military nature were not military but were at our disposal.

At the very beginning that resolution, for us inasmuch as we were dependent upon a foreign power for the British inasmuch as we were dependent upon U.S. intelligence agencies. They put them in a disagreeable position. The British, while they were not in its spirit and in its substance, General Donovan as well as to our own service in Latin America would afford us as well as us the advantage of joint operations wherever practical during the war.

SECRET

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General Donovan himself has continually expressed to me the desire of including Latin America in his jurisdiction at the earliest possible moment. He has several times taken steps to send me to Latin America to make at least a general survey of the situation. Such an attempt was made in December 1942 in connection with G-2, without any result. A further step was taken in May 1943, with S.O. activities particularly in view, in connection with the American Republics Division of the State Department and its deputy Chief, Mr. Philip Bonsal, also without result. The reason for the absence of results was as much the unsolved jurisdictional question as other factors involved, of which one of the principal ones was a great lack of imagination and a highly over-optimistic and unrealistic attitude with regard to developments in Latin America - shortcomings which have meanwhile become the subject of public interest and public criticism.

III

According to General Donovan's instructions, this office from its inception has always worked with the view of one day forming the nucleus of a United States secret intelligence service in Latin America. While prevented from working through agents of its own in the field, it at least endeavored to build up a head office which, if and when called upon, would be able to organize such a field service and direct its operations, within the framework of the S.I. of the O.S.S. This, of course, added considerably

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to the current work of the office. The office could not content itself with evaluating and transferring the information currently obtained from the British S.I., because then it would never have been able to free itself from its dependence upon that organization. In order to be able to stand on its own feet in case of need, the office developed its own facilities principally in three directions: assembling a staff, however small, and training it in secret intelligence with regard to Latin America; accumulating a vast amount of Latin American intelligence, working it up and integrating it into an extensive filing and carding system, and lastly extending this accumulation of intelligence from the economic to the political sphere in view of the fact that economic and political intelligence are closely related, particularly in Latin America where economic organizations have been used by the enemy as principal means of political infiltration and as cover for subversive activities. The office, as of today, has a system of 11,050 files and 78,500 cards, covering a total of 89,550 companies and individuals, referring approximately 75 percent to economic and 25 percent to political intelligence. Incidentally included are numerous items of interest to counter-espionage. The filing and carding system of this office is today far more extensive and integrated than that of the B.S.C. office in New York. This office probably has the largest coverage among all U.S. offices of combined economic and political intelligence with regard to Latin America. To achieve this has been all the more difficult as the office has always endeavored to work with

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a skeleton staff as long as it is not able to establish a field service. Today, the office would be able to establish such a service and to direct its activities on the basis of its own capital of information and its own knowledge and experience.

IV

The aim of achieving independence from foreign assistance proved its value when in December 1944 the British S.I., on orders from London, decided to discontinue all secret intelligence activities in Latin America with the exception of counter-espionage. Today, when called upon (as recently by SHAEF-G-2) to report on special topics, this office need not resort to the files of the B.S.C. in New York or B.S.C. headquarters in London but can fall back on information contained in its own files and the knowledge incorporated in the staff of the office. It is however clear that the information collected in this office would soon become obsolete if it were not continually supplemented by new information from Latin America, an area now, more than ever, undergoing considerable convulsions and changes. It is a truism that no secret intelligence office, however well it may be fortified by its own knowledge and store of information, can work successfully without a field organization which constantly adds to the information and investigates topics of current interest. As a stop-gap it is of course possible to keep up to date, at least to a certain degree, and collect information of interest to our Government from sources in

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the U.S.A. which are in contact with Latin American affairs such as business men, correspondents, travellers, etc. This is what this office has been doing for quite some time, as the British S.I., foreshadowing the discontinuation of their secret intelligence in Latin America, had been constantly decreasing the amount of information transferred to this office. This kind of work is now being increased for the sole purpose of maintaining the office as a going concern rather than practically liquidating its stock of information by failing to keep it up to date.

This most difficult position of the office is of secondary importance, of course. It has no raison d'être except its results and its potential uses as probably the American office best trained for secret intelligence, particularly secret economic intelligence, work in Latin America. The actual danger, to the interests of the U.S.A., is that Latin America is at present not covered by any workable secret intelligence service, not in the political and still less in the economic sphere, since the British have discontinued their activities. This, of course, does not take into account such secret services which do not cooperate with us. Soviet S.I. and S.O. services betray their activities in Latin America by most visible results, but little is known about their actual operations. How far these activities work our way might be open to debate. Not open to debate, however, is the fact that, to all intents and purposes, subversive activities of the enemy, particularly of Germany, are still going strong in Latin America and that all open measures of political and economic warfare have not at all succeeded

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in destroying the inner core and only partially succeeded in destroying the outer ramparts of the enemy's stronghold. This is due in no small degree to the complete lack of S.O. measures, even in the form of undercover psychological warfare in Latin America, against the enemy and against native groups hostile to the United States and the United Nations in spite of General Donovan's efforts supported by suggestions of the British S.I.

Today, it is a matter of common opinion that our relations with Latin America have reached an impasse, even if exaggerated statements and unconfirmed facts are disregarded. In informed circles, particularly in the State Department, it is also known that this is greatly due to the lack of sufficient economic and political information from and about Latin America. The fact that the F.B.I., in spite of its well-known failure to provide such information, still has and claims jurisdiction over secret intelligence in Latin America is not to be explained or justified by any rational consideration. That open information, from our diplomatic missions cannot be substituted for secret intelligence is proved by the fact that the State Department has been repeatedly confronted with surprises in Latin America and that hardly any of the numerous violent changes of government in the past two years have been presaged by our missions nor by the F.B.I. agents attached to these missions. It is neither an excuse nor a consolation that the British missions have shown an equal ignorance and that even British Secret Intelligence have in many cases failed to appraise developments correctly and inform their government sufficiently. This failure of

10/

British Secret Intelligence is partly to be explained by the apparent inability of many of its agents in the field to understand and analyze popular movements of a more or less irrational character, partly by an insufficient number of field personnel caused by the comparatively secondary interest Great Britain takes in Latin America as compared with other parts of the world such as the Mediterranean and the Near East.

V

The special problem of this office is of course tied up with the general jurisdictional problem of the O.S.S. now under discussion and is therefore subject to decisions which reach far beyond its own scope. The particular difficulty created for this office which, as far as I know, does not attach to other offices of the O.S.S., is that it has developed on the hairbreadth of a jurisdictional margin which has all along hampered its activities and the value of its services for our Government. While any challenge, on the part of other agencies, to the existence and work of this office could be easily met by its results which are known to a sufficiently great number of officials, some very highly placed, these same results have, for more than one reason, not yet been used to overcome barriers which have no foundation in fact, but solely in claims unsupported by results. If this problem had arisen in a comparatively quiet geographical sphere a decision could be delayed without major harm to our national interests. In Latin America,

11/

time visibly works against us. To continue to be silent under such conditions would in the long run be irresponsible.

It is for this reason that General Donovan, since the middle of last year, has been trying to come to a provisional arrangement which would permit this office to do intelligence work in Latin America without prejudicing the outcome of the present more general jurisdictional discussions. The O.S.S., the only agency with sufficient experience, would direct such activities technically, but under the political control and according to the program of the department most concerned, namely the State Department. It is in this connection that General Donovan has taken into consideration a secret intelligence survey trip of my own to Latin America which, for the first time, would give our Government information about the situation down there from sources other than those of our foreign missions or offices connected with them. At the General's request, I drafted a memorandum about the situation in Latin America which, in all essential and also most secondary points, was confirmed to be a correct picture of the situation by the chief of British Secret Intelligence in New York to whom the General passed the memorandum. It is this memorandum, slightly amended according to Mr. Stephenson's suggestion, which the General gave to Mr. Nelson Rockefeller in order to initiate negotiations with the State Department about my trip. On the basis of this memorandum, I submitted to the General a program for investigation, a copy of which is attached hereto. I do not know whether this program was also given to Mr. Rockefeller.

12/

In conclusion, in its three years of work as part of the O.S.S., this office, against great odds, has been able to establish the nucleus of a secret economic-political intelligence service for Latin America. In accordance with General Donovan's instructions, this office will continue to keep its work alive, in view even of the increased difficulty which has now arisen from the discontinuation of British assistance. There can however be no doubt that this can only be done if either the jurisdictional question is solved or, as a preliminary measure, a secret intelligence check-up of the Latin American situation by a survey trip of my own under the technical direction of the O.S.S., but under the jurisdictional responsibility of the State Department, can be achieved. This trip, if it is to be successful, should be made as a completely secret trip, without the customary diplomatic protection (diplomatic passport and extra-territoriality) which other U.S. intelligence services in Latin America have always claimed, much to the detriment of the secrecy of their operations. General Donovan is informed that, if certain necessary technical conditions are fulfilled, the additional risk involved is of no concern to me. Solely driven by the desire to bring to the height of its effect a job which I did not seek but which I have always gladly undertaken as a small contribution to the cause we are fighting for, I feel that action cannot much longer be delayed.

SECRET *George F. [unclear]*

SECRET INTELLIGENCE SURVEY TRIP TO LATIN AMERICA

I TERRITORY: La Plata triangle - Argentina, Uruguay, Paraguay, Bolivia and Chile.
This is the sphere of "greater Argentina", where German postwar imperialism would probably combine with Latin American imperialism centered in Argentina.

II CENTER OF OPERATIONS: Montevideo. The capital of Uruguay, a fairly democratic and pro-allied country, close to Argentina, the main target of investigation, is for security reasons more suitable than Buenos Aires, the center of German counter-espionage and the Argentinian secret police. Buenos Aires and Santiago de Chile, as well as Asuncion and La Paz, can be easily reached from Montevideo.

III DURATION: Three months, with a possibility of curtailing or extending the duration according to circumstances. As little information to start with is available, this appears to be the minimum.

IV OBJECT OF INVESTIGATION:

1. What exactly is the present German position in the La Plata triangle - politically and economically?

a) Extent to which German firms have survived Allied economic warfare measures to make Buenos Aires a center of German economic and political activity in Latin America.

b) Extent to which German political and propaganda organizations have survived Allied political measures.

c) Continued residence in Buenos Aires and other cities of the La Plata triangle by key men of German economic and political penetration in Latin America; expanded German personnel through the influx of Nazis from other Latin American countries during the war.

d) Contacts of German firms with Argentine Government; role of German firms in Argentine arms program.

e) Position of American and British interests in Argentina under the military government. Position of these interests in the other countries of the La Plata triangle.

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2. What organizations are being made or are intended for the arrival of German activities after the war, both by Germans and German-Americans now residing in the La Plata triangle and for those Germans who expect to use it as a refuge after the German defeat?

- a) Transfer of German funds, in whatever form, from Europe to Argentina, and from there to other countries of the La Plata triangle. Use of these funds now; intended use later.
- b) Actual or prepared arrival of Nazis, military men, and technicians from Germany to create a German center in the La Plata triangle, as a permanent refuge or a temporary training ground pending their return to the Fatherland.
- c) Plans and steps for the establishment of new plants and whole industries in Argentina and Argentina's sphere of influence, which would at once build up Argentina's war potential under German auspices and create a German reservoir of up-to-date technical and industrial skills.

-4-

3. How do these German activities tie in with the nationalist and expansionist policy of Argentina and similar tendencies in the other countries of the La Plata triangle?

- a) Contacts and understandings between the Argentine Government and German nationalist groups, their representatives and agents. Similar German contacts with nationalistic groups in the other countries of the La Plata triangle.
- b) Argentine plans to upset the governments and political systems of the other countries of the La Plata triangle for the sake of Argentine expansionism. Connivance of nationalistic governments and groups in these other countries.
- c) Plans and actions of the Argentine Government against the policy and interests of the U.S.A., Britain, and other Allies; attitude of the other governments of the La Plata triangle.

V METHODS OF INVESTIGATION: By the use of a commercial cover which could enable normal contacts and investigation with regard to most of the principal problems

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concerned. The investigation would also be made in cooperation with existing intelligence services.

VI COMMERCIAL COVER: A concern should be selected which would give the widest latitude and the best entry to those commercial organizations which can be used as sources of information. Some actual business should be transacted.

VII PASSPORT: Private passport, not a diplomatic passport.

VIII PROTECTION BY U.S. MISSIONS: No protection except such as U.S. Missions usually grant to U.S. business men abroad.

IX CONTACTS WITH U.S. MISSIONS: Any such contacts should be worked out under strict security rules and limited to those absolutely necessary for the success of the trip. This implies that I should not be dependent on the Missions for technical, clerical or similar assistance.

X TRANSMISSION OF MESSAGES: Through special O.S.U. code and diplomatic pouch.

14,289
~~SECRET~~

OFFICE OF STRATEGIC SERVICES

INTEROFFICE MEMO

TO: General William J. Donovan

DATE: November 21, 1944

FROM: George

CT

Dear General Donovan:

I have learned that you are about to leave for abroad and will be away for quite some time. I therefore take it that I am not to expect any reply to my letter of October 7 regarding the secret intelligence survey trip to Latin America which has been under discussion for the past few months. I presume that you have not been able to find an arrangement which would enable me to make this trip without impairing your broader efforts with regard to the general jurisdictional question.

It is quite obvious that I would not and could not try to place the purpose for which I have now been working in the O.S.S. for nearly three years above the general interests of the O.S.S. Considering, however, that developments in Latin America which are now generally regarded as being most detrimental to the U.S.A. could to a not inconsiderable extent have been prevented if my office had been permitted to continue its field activities previously undertaken as part of the British Secret Intelligence Service, I feel - and you will permit me to express it - that the present impossibility of achieving even the very limited plan which I have submitted is very discouraging.

It goes without saying that, in view of the time and effort spent on the work of my office, and in spite of all difficulties, I shall continue to keep it alive hoping that a jurisdictional discussion in favor of the O.S.S. will be made within reasonable time.

As it may be possible that, during your absence, our cooperation with other departments in Washington may afford further opportunities such as we have been looking for, I should appreciate it if you would advise me about who in the central administration of the O.S.S. would have the authority to discuss matters with me and make the necessary decisions.

Sincerely yours,

George

14.289

SECRET**OFFICE OF STRATEGIC SERVICES****INTEROFFICE MEMO**

TO: General William J. Donovan
FROM: George
SUBJECT

DATE: November 21, 1944

Dear General Donovan:

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It is quite obvious that I would not and could not try to place the purpose for which I have now been working in the O.S.S. for nearly three years above the general interests of the O.S.S. Considering, however, that developments in Latin America which are now generally regarded as being most detrimental to the U.S.A. could to a not inconsiderable extent have been prevented if my office had been permitted to continue its field activities previously undertaken as part of the British Secret Intelligence Service, I feel - and you will permit me to express it - that the present impossibility of achieving even the very limited plan which I have submitted is very discouraging.

It goes without saying that, in view of the time and effort spent on the work of my office, and in spite of all difficulties, I shall continue to keep it alive hoping that a jurisdictional discussion in favor of the O.S.S. will be made within reasonable time.

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Sincerely yours,

*George*P
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OFFICE OF STRATEGIC SERVICES

INTEROFFICE

OHR Form 4001
(Rev. 7/27/66)

099 SECRETARIAT - ROUTE SLIP

DATE

TO General William J. Donovan

FROM George

SUBJECT

TO	NAME	INITIALS
	O. C. Morison, Jr.	OM
	J. J. Morrison	JJ

Dear General Donovan

Date 10/13/44

I have learned that
be away for quite
not to expect any
secret intelligence
under discussion
have not been able
to make this trip
regard to the age

General Donovan

OCD has asked me the following
question:

"Is the General willing to con-
sider this further or does he
wish me to advise George that
it must be dropped?

Will you please indicate your
views.

It is quite obvious
the purpose for
nearly three years.
Considering, he
are now general
U.S.A. could be
if my office had
previously and
service, I feel
the present in
plan which I

It goes with
spent on the
I shall continue
discussion in
time.

As it may be
with other

titles such (10000)

If you would advise me
of the O.S.B. would have the authority
me and make the necessary decisions.

Office of the Executive Officer

Sincerely yours,

George

*Let me
know
E. J. Putsell Jr.*

*Let me
know
you are right
not to wait
for George here
E. J. Putsell Jr.
(23645)*

21 Oct.

OCT -

Mr. George called the Gen. this morning but
 did not talk to him. Left word that the wanted
 to know if you had rec'd his memo (I assume he
 rec'd this when came in yesterday) and what
 the General's reaction was. Please advise him.
 Ned - Do the General ^{under}stand he will
 be able to see the Gen. ^{that} at next
 week's visit to advise Gen. ^{that} he will be

147,289

STANDARD FORM NO. 64

DATE: November 21, 1944

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ities such as we have been looking for, I should appreciate it
if you would advise me about who in the central administration
of the O.S.S. would have the authority to discuss matters with
me and make the necessary decisions.

Sincerely yours,

George

Office Memorandum • UNITED STATES GOVERNMENT

TO : Lt. Col. Otto C. Doering

FROM : George

SUBJECT:

DATE: October 7, 1944

Dear Ollie:

I should appreciate it if you would
personally give the enclosed letter to General
Donovan at your earliest convenience.

Sincerely,

George

SECRET

STANDARD FORM NO. 64

*George Project 14289***SECRET****Office Memorandum • UNITED STATES GOVERNMENT**

TO : General William J. Donovan

FROM : George

SUBJECT: Secret Intelligence Survey Trip to Latin America.

DATE: October 7, 1944

Dear General Donovan:

When you discussed with me on September 21 the plan for a "Secret Intelligence Survey Trip to Latin America", you informed me about the arrangement which you had made with Mr. Stevenson and instructed me to work out the details with his office.

Mr. Stevenson did not call me himself, but Mr. Pepper called at my office on September 23 and informed me that, subsequent to Mr. Stevenson's talk with you, doubts had arisen with them as to the workability of the plan of sending me down under the cover of the British S.I. After discussing the plan and the British doubts in detail, Mr. Pepper told me that he would inform Mr. Stevenson and that Mr. Stevenson would discuss matters further with you.

In view of the time which had passed and the fact that, as I learned in Washington yesterday, Mr. Stevenson had not approached you further in this matter, I asked Mr. Pepper today to advise me of their definite attitude. Mr. Pepper went back and, after having talked to Mr. Stevenson again, he gave me Mr. Stevenson's message that I should inform you as follows:

Mr. Stevenson feels that the plan is "inadvisable from both the American and British viewpoints". The British are not permitted to "recruit agents in this country". If they were to do so, particularly with regard to a geographical area, in which, according to the wish of our Government, they are obliged to work solely with the F.B.I., they would incur the danger of running headlong into trouble with the F.B.I. Mr. Stevenson is "prepared to do anything for you that you may ask, but he suggests that you re-examine your position in this matter".

In view of Mr. Stevenson's attitude, it seems that, if the plan is to be carried out, another way will have to be found. In our conversation, you suggested that the only alternative would be to reach an agreement with Mr. Stettinius which, leaving aside the jurisdictional question for the time being, would enable me to make the survey trip for the State Department, but under your direction. If Mr. Stettinius agrees that I go down to the La Plata Triangle under the cover of an American firm, on a

SECRET

- 2 -

SECRET

private passport and without claiming extra-territorial rights which would involve the Embassies and the State Department, and if Mr. Stevenson, in accordance with his repeated assurances, agrees to give me the assistance of his agents down there, neither would the jurisdiction of the F.B.I. be impaired nor embarrassment caused for our British friends. I have no doubt that the British will agree to this plan and I believe that there is nobody who, in view of the undeniable urgency of the situation in Latin America, particularly in the La Plata Triangle, will find it easy to maintain hostility against such a plan.

I am, of course, ready to come to Washington at any time to discuss this or any other plan which you might have.

Sincerely,

George

SECRET

SECRET14289-
924 Project

Mr. Halperin

15 November 1944

Executive Office

"George" Project

General Donovan has asked me to have you revise the attached "George" project in accordance with the suggestions contained in your memorandum of 3 August 1944 to Dr. Langer.

For your convenience, I am submitting herewith both the original and the previously revised papers by George. Please return both documents when they have served your purpose.

E. J. Putzell Jr.
Lieutenant (j.g.), USNR
Assistant Executive Officer

Attachments

SECRET

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : GENERAL WILLIAM J. DONOVAN
FROM : GEORGE
SUBJECT:

DATE: October 4, 1944

File

Dear General Donovan:

One of the more important objects of investigation included in the plan for a "Secret Intelligence Survey Trip to Latin America" which I submitted to you recently is the "Transfer of German funds, in whatever form, from Europe to Argentina, and from there to other countries of the La Plata triangle; use of these funds now, intended use later" (See Part IV, point 2(a) of the Plan).

The enclosed memorandum describes how other departments recently tried to go about such a project and how, by lack of intelligent preparation and organization, they not only dismally failed in their attempt, but also caused widespread publicity which is likely to have given the plan away to the enemy.

Dr. Mason, whose assistance was solicited by other departments, did his very best to coordinate the procedure of the mission with assistance to be given by the European Section of the S.I. and, as far as Latin America is concerned, my own office.

Sincerely,

George

11,289

Summary

ESCAPE OF GERMAN FUNDS

Various Government departments have been interested in checking the escape of funds from Germany to neutral countries. Mr. Sam Klaus, of the General Counsel's office of the Treasury who has been on loan to F.E.A. for purposes of general monetary research, was chosen by the latter agency to make a survey trip of European capitals for the purpose of organizing the collection of information on this subject. Klaus solicited and was promised the help of S.I. before he left.

It was then decided to create a mission for the same purpose, consisting of Klaus, John Richards of Treasury's Foreign Funds Control and Herbert Cummings, formerly attached to our Embassy in Ankara representing the State Department. F.E.A. then decided to increase its representation and added Dudley Easby of its General Counsel's office to the mission. Treasury, apparently wishing to have as much representation as F.E.A., named to the mission Mr. Kennedy, an expert on counterfeiting who had been stationed in Mexico.

The mission (except for Easby who did not get beyond New York) during August and September travelled to London, Stockholm and Lisbon. Not much seems to have been accomplished, though details will not be known until the mission returns. Work was greatly hampered by the fact that the members of the mission engaged in lengthy jurisdictional disputes among themselves. No chairman of the mission had been named, and since they could not settle their quarrels the members of the mission were ordered by the State Department to return to this country.

While the mission was in Europe the Philadelphia Inquirer published a detailed story (except for names) about the mission's purpose and its itinerary. This story was subsequently printed in La Prensa of Buenos Aires and also appeared in various Turkish newspapers. A cable from the American Embassy in Ankara, reporting on the Turkish publication is attached.

There has thus been a double failure in the first serious attempt to carry out a very important operation. At least six weeks have been virtually wasted since Klaus left for Europe; obviously no information of major importance has been secured, and no effective means of getting information has been established. Also, the enemy has been tipped off in considerable detail as to

- 2 -

what this Government was trying to do and, what is equally important, of its inability to do anything effective up to now. As a result, the Nazis know that the funds they have already shifted have so far gone undetected and that they can continue to use the same channels, at least for some time to come, with considerable hope of effecting further successful transfers.

It appears that in the last instance the Office of Foreign Activities Correlations in the State Department, which is headed by Mr. Adolf A. Berle, Jr., is responsible for the failure of the mission. Mr. Hanley of that office handled the organization and made the arrangements for the mission.

Now, Francis Russell, Chief of the Division of World Trade Intelligence (under Dean Acheson as Assistant Secretary of State) and our contact man in the State Department, has been entrusted with the organization of means of getting the information desired, in co-operation with two other interested divisions of the Department. After discussion with the members of the mission, Mr. Russell will decide whether to send someone else to Europe or to work entirely through the Embassies and Legations. Mr. Russell, of course would be glad to have any assistance which S.I. could give him. As far as Latin America is concerned, our close contacts with Mr. Russell assure a synchronization of his inquiries through the Embassy in Buenos Aires and the investigation which I plan to undertake in the La Plata triangle.

g. 10/4/44.

CABLE FROM AMERICAN EMBASSY, ANKARA
to
DEPARTMENT OF STATE, SEPTEMBER 9, 1944

Turkish Press, 8th, says following Anatolian Agency dispatch datelined New York 7th:

Ankara is one of capitals which will probably be visited by members of a mission of Foreign Economic Administration who have left Washington to confer with Allied Governments at London and in newly liberated countries, and who will then travel to neutral capitals. They will ascertain to what extent leaders of Nazi Party and German industrialists have exported from Germany in contraband monies and assets, and to what extent occupied countries have been pillaged by them. Investigators will attempt untangle complicated financial transactions of Axis chiefs from Hitler to smallest gauleiter who might have hidden their personal fortunes in neutral countries. Part of this wealth might be used by them to finance clandestine Nazi movements in Germany and elsewhere after war in anticipation of third world war. Members of mission which will put into practice one of the decisions Bretton Woods Monetary Conference, will visit among others Ankara, Stockholm, Lisbon, Madrid, Berne and Cairo.

STANDARD FORM NO. 64

SECRET**Office Memorandum • UNITED STATES GOVERNMENT**

TO : GENERAL WILLIAM J. DONOVAN,

DATE: SEPTEMBER 11, 1944

FROM : GEORGE.

SUBJECT: SECRET INTELLIGENCE SURVEY TRIP TO LATIN AMERICA.

Dear General Donovan:

In presenting to you, so soon after your return, the latest document which has developed out of my preparatory work for Latin America, I realize that it may seem of secondary importance compared with the much greater problems which, as a result of our successful offensive, are at present coming to a head for you in Europe. Still, the encouragement which you have given me in the past few months by asking me to elaborate a more concrete program for Latin America, leads me to hope that you will think it appropriate to consider a definite proposal. As a result of our former discussions, I am submitting herewith a plan for a "Secret Intelligence Survey Trip to Latin America". This plan can be carried out, on my part, without much further preparation, as it is based on the experience in secret intelligence procedure and knowledge of Latin American affairs which, since the inception of my office, I have made constant and painstaking efforts to develop and to hold ready for the time when you would call upon me.

Since you considered matters last, on the eve of your departure, discussions with our British friends as well as impressions gained in Washington, have confirmed my opinion that no further time is to be lost if our Government wants to keep abreast of events in Latin America, particularly in the La Plata triangle. Developments in Latin America are growing increasingly involved and portentous, in spite of the relatively favorable picture habitually painted here by those bent on defending the results of their own policy. Not only is public opinion gradually waking up to the realities of the situation, but also agencies and officials in Washington are becoming more and more aware of the actual and potential dangers threatening. While it is true that the problem is first of all one of foreign policy and so far a concern of the State Department, it appears that the feeling of groping in the dark, of not having been sufficiently served by the established channels of information, is spreading in official circles. Since the State Department compelled the F.B.I. to withdraw most of its agents from Latin America, because they created diplomatic trouble by working too openly and on too big and indiscriminate a scale, no workable secret intelligence service of the U.S.A. exists in Latin America. This gap will have to be filled by some organization competent to handle all branches of

Handwritten signature: Mack [unclear]

-2-

secret intelligence, including economic and political intelligence, and not only counter-espionage on which the F.B.I. concentrated. It is practically certain that the gravity of events will compel our Government to review the whole question of our intelligence from Latin America. If this is not already being done inside the State Department, further deterioration of the situation will probably force it very soon.

It is my considered opinion that a workable secret intelligence service in Latin America can only be built up within your organization. I am saying this without feeling prejudiced by the fact that my office appears at present to be the only one in the United States Government which combines three essential conditions for the establishment of such an organization: experience in secret intelligence, both political and economic coverage, and knowledge of Latin American affairs. I can truly say this, because personally I have neither political, diplomatic nor administrative ambitions. I have broken off my business career solely to help the war effort, and there appears nothing which would suggest to me that I should not take it up again when my present task is fulfilled. Events placed me in a position where I could organize for our Government an office with potentialities which have by no means yet been sufficiently tapped. In spite of the unavoidable frustration of these past few years, I have found it difficult to retreat from an unfinished job, without seeing others taking it up and without being sure that, against the law of reason, your organization would be definitely prevented from extending its jurisdiction to Latin America.

I should, however, fail in my duty if I did not draw your attention to the fact that my office has reached the peak of its efficiency within the limits of its present work. There are signs that it might not be able long to hold this peak if not entrusted with more active work. Several times in the past few months I have pointed out to the Chief S.I. and, if I remember correctly, occasionally to you, that the British S.I., in changing its activities in Latin America from a war to a peacetime basis, will be increasingly unable to share with us their information concerning a continent in which the British are fundamentally our economic and to some extent also our political competitors. The British have remained most generous in their cooperation with my office. Still, the current information received from them does not compare with that received from them in 1942 and 1943. Although the work of my office has never been solely based on British intelligence, such intelligence has been the primary factor in its work and a decreasing supply of intelligence reports can not but reduce the usefulness of my office to

-3-

those departments and agencies in Washington which we have been serving. Concomitant with the decrease in our information, there has developed an increase in requests for information based primarily on the service which we have been able to give heretofore. It has become increasingly difficult for me to explain the discrepancy between the service desired and the service rendered, without giving away the fact that the O.S.S., as far as my office is concerned, has to rely mainly on foreign assistance.

In preparing the attached document I have carefully refrained from opening the jurisdictional question in its entirety. It would appear to me, barring information which I do not have, that it might be desirable to separate the plan of my survey trip to Latin America from the crucial jurisdictional problem by presenting it as a single undertaking to obtain information of a most important nature and otherwise hardly obtainable by our present means, for the benefit of whichever department feels most interested in obtaining such information and without any prejudice to existing jurisdictions. Naturally, the State Department is the one in my mind, although in view of the military implications of the situation, the Joint Chiefs of Staff might also be interested. The State Department's jurisdiction would appear sufficient to cover such an undertaking which, as to its procedure and technique, could only be carried out under the auspices of the O.S.S. Otherwise, the high degree of secrecy which appears necessary could not be secured, and without such secrecy it is highly improbable that the British S.I. would be able to maintain its promise of most complete and confidential assistance.

It suggests itself that, as long as the S.I. of the O.S.S. is prevented from establishing its own organization in Latin America, my survey trip could not succeed without British assistance. Aware of the prejudice against too close cooperation with the British prevailing in certain circles, I have somewhat circumscribed this in my attached plan (see number V). It is to be hoped, however, that those primarily concerned will be objective enough to accept, for the benefit of our country, such an offer which is the result of British confidence in the O.S.S. and long established close cooperation between the British S.I. and myself. This offer, according to its very nature, is of a passing character. Although there is no reason to doubt that the British will stand to it as long as they can, they will feel themselves more and more under the restrictive compulsion of the peacetime interests of their own country. They have all along been very generous in bringing me into contact with their principal agents in several countries of Latin America. It should be of great importance for my trip that within the last two months I was able

-4-

to meet here several times one of their most important and confidential key men in Argentina and to have with him preparatory discussions about joint intelligence activities there.

It is with great hope of a favorable decision soon that I am presenting my plan which will, so I hope, enable me to lay the groundwork for a better secret intelligence service than our country has had up to now in Latin America.

Sincerely yours,

George

Enc.

SECRET

SECRET INTELLIGENCE SURVEY TRIP TO LATIN AMERICA

- I TERRITORY: La Plata triangle - Argentina, Uruguay, Paraguay, Bolivia and Chile.

This is the sphere of "greater Argentina", where German postwar imperialism would probably combine with Latin American imperialism centered in Argentina.

- II CENTER OF OPERATIONS: Montevideo. The capital of Uruguay, a fairly democratic and pro-Allied country, close to Argentina, the main target of investigation, is for security reasons more suitable than Buenos Aires, the center of German counter-espionage and the Argentinian secret police. Buenos Aires and Santiago de Chile, as well as Asuncion and La Paz, can be easily reached from Montevideo.

- III DURATION: Three months, with a possibility of curtailing or extending the duration according to circumstances. As little information to start with is available, this appears to be the minimum.

-2-

IV OBJECT OF INVESTIGATION:

1. What exactly is the present German position in the La Plata triangle - politically and economically?

- a) Extent to which German firms have survived Allied economic warfare measures to make Buenos Aires a center of German economic and political activity in Latin America.
- b) Extent to which German political and propaganda organizations have survived Allied political measures.
- c) Continued residence in Buenos Aires and other cities of the La Plata triangle by key men of German economic and political penetration in Latin America; expanded German personnel through the influx of Nazis from other Latin American countries during the war.
- d) Contacts of German firms with Argentine Government; role of German firms in Argentine arms program.
- e) Position of American and British interests in Argentina under the military government. Position of these interests in the other countries of the La Plata triangle.

-3-

2. What preparations are being made or are intended for the revival of German activities after the war, both by Germans and Germanophiles now residing in the La Plata triangle and by those Germans who expect to use it as a refuge after the German defeat?

- a) Transfer of German funds, in whatever form, from Europe to Argentina, and from there to other countries of the La Plata triangle.
Use of these funds now; intended use later.
- b) Actual or prepared arrival of Nazis, military men, and technicians from Germany to create a German center in the La Plata triangle, as a permanent refuge or a temporary training ground pending their return to the Fatherland.
- c) Plans and steps for the establishment of new plants and whole industries in Argentina and Argentina's sphere of influence, which would at once build up Argentina's war potential under German auspices and create a German reservoir of up-to-date technical and industrial skills.

-4-

3. How do these German activities tie in with the nationalist and expansionist policy of Argentina and similar tendencies in the other countries of the La Plata triangle?

- a) Contacts and understandings between the Argentine Government and German nationalistic groups, their representatives and agents. Similar German contacts with nationalistic groups in the other countries of the La Plata triangle.
- b) Argentine plans to upset the governments and political systems of the other countries of the La Plata triangle for the sake of Argentine expansionism. Connivance of nationalistic governments and groups in these other countries.
- c) Plans and actions of the Argentine Government against the policy and interests of the U.S.A., Britain, and other Allies; attitude of the other governments of the La Plata triangle.

V METHODS OF INVESTIGATION: By the use of a commercial cover which could enable normal contacts and investigation with regard to most of the principal problems

-5-

concerned. The investigation would also be made in cooperation with existing intelligence services.

- VI COMMERCIAL COVER: A concern should be selected which would give the widest latitude and the best entry to those commercial organizations which can be used as sources of information. Some actual business should be transacted.
- VII PASSPORT: Private passport, not a diplomatic passport.
- VIII PROTECTION BY U.S. MISSIONS: No protection except such as U.S. Missions usually grant to U.S. business men abroad.
- IX CONTACTS WITH U.S. MISSIONS: Any such contacts should be worked out under strict security rules and limited to those absolutely necessary for the success of the trip. This implies that I should not be dependent on the Missions for technical, clerical or similar assistance.
- X TRANSMISSION OF REPORTS: Through special O.S.S. code and diplomatic pouch.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

George Project 14028

TO : General William J. Donovan
 FROM : George
 SUBJECT: FLOW OF ENEMY FUNDS TO ARGENTINA.

DATE: August 24, 1944

SECRET

As you know, various governmental agencies have been interested in the reported flow of German funds to Argentina, to be used to prepare postwar havens for Nazis fleeing from Europe. Treasury decided to send Mr. Sam Klaus to Europe to collect whatever information he could find in England and in neutral countries. Dr. Mason of R. & A. suggested that Klaus discuss the matter with us. On our suggestion, through Dr. Mason, Klaus also got in touch with the chief of S.I. regarding the possibility of using S.I. facilities in Europe to collect material.

I attach a copy of the report made by the member of my staff who talked to Klaus. As you will see from this document, we have again been put on the spot by our lack of an S.I. service in Latin America. Klaus is naturally most interested in knowing what kind of coverage we could provide in Argentina in order to collect the desired information. My representative had of course to be very evasive on this subject. When he returns from Europe, Klaus expects to go to Argentina to continue his work. As things stand now we shall not be in a very good position to help him. He will be forced to rely principally upon officials of the American Embassy and perhaps the F.B.I. We know from past experience, and from the present lack of information on the flow of enemy funds to Argentina, that these sources will not be satisfactory.

We have done our utmost in our present limited capacity to unearth significant data on this very important subject. For some months we have been studying intercepts and asking the British to send us whatever data they could find. The results have been almost nil. Our most recent effort has been to provide the British with a questionnaire to be used as a basis for investigation in Buenos Aires. Since no specific data are available, the questionnaire had to be of a most general nature and we are not hopeful as to the results likely to be obtained.

This is one more case illustrating the serious limitations placed on U.S. Government policy by the lack of an S.I. service in Latin America. Obviously the Treasury, and other departments of the Government, will be unable to take effective action to

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SECRET

check the flow of German funds to Argentina unless they have very detailed and concrete information. We are hamstrung in attempting to supply information. The flow of German funds to Argentina is of great consequence to the United States, for both present and future policy. Should I be able to make a trip to Latin America this would be one of the chief subjects that I would investigate.

George

SECRET

COPY

FILL NOTE*George Project 14,289***SECRET**

AUGUST 17, 1944

ARGENTINA - ENEMY FUNDS

I saw Sam Klaus of the Treasury in his room at the Lexington Hotel on Monday, August 14. We talked for about three-quarters of an hour. He was on the verge of leaving for Europe, either that night or the next day. He said that CIO, apparently Mr. Mason, had expressed interest in my trip sufficient to try to get him on an earlier flight than that originally scheduled.

I had gone to talk to Klaus with the understanding that he was going to look into the question of the transfer of Nazi funds to Argentina from the European end. According to his account, however, he is at least as much interested in German plans to shift technicians to Argentina at the end of the war. He considers this movement more important than the transfer of funds since the funds will some day be spent, while the reserves of skills would be of importance to Germany for another war. He thinks it likely that the Germans could quite easily reach agreement with the Argentine Government to secure from the latter protection and such other help as is necessary in return for the contribution that German technicians and managers would make to Argentine industrialization. Klaus considers it likely that many new companies will be established under the impetus of the German technical help, either with wholly Argentine capital or with some German financial participation. He says further that Siemens Schuckert has been charged by the German Government to lead the industrialization of Argentina and Spain, the latter

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effective. If this sort would take considerable time.

Klaus then wanted to know what kind of coverage we had in Argentina and what sort of thing we had learned. I was of course very reserved on this point, saying chiefly that the coverage was certainly not as complete as we would like it to be and that it varied greatly from time to time and on particular subjects. I said that the general subject of transfer was under investigation and showed him the questionnaire sent to Buenos Aires. He said that the questions were too general, but I pointed out that in the absence of specific information no other course but a general investigation was open. He agreed that we must assume that the Nazis will do this sort of thing very efficiently and also that by the time funds reach Argentina they may well be so heavily cloaked that their real ownership cannot be determined by the parties holding them in Argentina. I said that to get anything useful done in Argentina it would probably be necessary to have some leads from Europe as to where to look. Until such leads are forthcoming it will not be possible to do anything except make a general investigation and track down rumors in hopes of finding something specific. Therefore, I urged him to send back to us through A.I. any information he can collect which suggests points to be investigated in Argentina. He agreed to do this.

Reverting to the subject of postwar German emigration Klaus thought it would be useful for us to look into this in considerable detail and suggested that if our resources in Argentina are limited we concentrate them all on one problem, preferably this one, or on the effective penetration of one big company, preferably Siemens Schuckert. I said that we recognized the importance of the emigration problem but that I had not reviewed our material on that subject before coming to talk to him since I understood that he was concentrating on the transfer of funds. When Klaus comes back from

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Europe he hopes to go to Argentina. While he did not say so, it is to be presumed that he intends to do the same organizational job there as he plans to do in Europe.

Klaus said that he had set up the organization whereby German funds were frozen and all German assets in this country seized at the outbreak of war, and that he had subsequently worked out the organizational methods of tracking down German cultural penetration in this country.

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George Project 14,289
x 1/2
1 Rep 1/6

San Francisco

7 April 1944

Mr. Shepardon
General Donovan

1. I enclose letter to George. I was really interested in these papers and it might be that we could do something under the grant contained in our directive. This is worth examining.

2. You remember the man that we discussed with Halpern. If this seems a proper time to you, would you take up the matter with him and see if an approach could be made to our man.

W. J. D.

George Probst 17/2/97
x Muhle
v Probst

7 April 1944

Mr. George Muhle
c/o Mr. Whitney Shepardson

My dear George:

I have read your two memoranda and am greatly interested in your presentation.

I believe I see the full implications, and the important thing is to do something about it. As soon as I return, I'll talk with you and Mr. Shepardson.

Sincerely,

William J. Donovan
Director

*Hold for Gen Donovan
J.E.B.*

*George Project 12/12/44
Post Mort.
x Report
x Mable.*

April 1, 1944

Brig. General William J. Donovan
Office of Strategic Services
Washington, D.C.

Dear General Donovan:

I herewith submit two memoranda referring to my work and I should be grateful if you would grant me an opportunity to discuss with you the implications of these memoranda.

Memorandum I gives an account of the work of my office as it stands now. It is further a discourse on problems connected with the possibility of extending its work to Latin America.

Memorandum II is an account of the subversive activities of German firms in Latin America and the failure of Allied economic warfare to eliminate this danger to the security and the interests of the United States.

Sincerely yours,

George

MEMORANDUM I

I.

PAST AND PRESENT ACTIVITIES

This office became a part of the S.I. of the O.S.S. on March 10, 1942. First under the supervision of Mr. Allen Dulles, it was, in June 1942, placed under the direct control of the O.S.S. in Washington and has since operated under the direction of Mr. Whitney H. Shepardson and Lt. Col. Francis P. Miller.

The operations of this office consist of secret economic intelligence with regard to Latin America. These operations are based on:

- 1/ A request by Mr. James C. Dunn, made to the O.S.S. on behalf of the Secretary of State, to supply the State Department (World Trade Intelligence Division) with reports of this office deemed of interest to the State Department.
- 2/ An undertaking by the British S.I.S. to the O.S.S., to supply this office with secret economic intelligence from Latin America.

The request under #1 and the undertaking under #2 are inter-related. Without the request of the State Department, this office could not, for jurisdictional reasons, make use of the information received. Without the undertaking under #2, this office could not, likewise for jurisdictional reasons, provide the information passed on to the State Department.

This arrangement has worked out rather well. The British S.I.S. has continued to cooperate faithfully in furnishing this office information from their agents stationed in Latin America. The State Department - and other Departments which, with the State Department's agreement, receive copies of the reports sent to the State Department - have continually and increasingly shown interest in these reports. The number of reports sent to Washington stands at present as follows:

State Department	1011
Department of Justice	1249
Office of Economic Warfare	1018
Alien Property Custodian	1038
Treasury	789

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The Department of Justice - and to a lesser extent other Departments - in addition to receiving copies of the reports sent to the State Department, have requested information on subjects of special interest to them; this explains the greater number of reports to Justice. The Treasury began to request our reports only in July 1943; this explains the smaller number to the Treasury. A copy of all reports is kept in the files of Lt. Col. Francis P. Miller's office through which all reports are passed on to the Departments.

It is not and was never intended to be the function of this office to act as a mere transmission belt between the British S.I.S. and the United States Government with regard to Latin America. Guided by its own experience and observation as well as by requests of the Departments, this office has continually advised the British S.I.S. on economic intelligence. It has suggested facts to be investigated, commented on results of investigations, and given the British information received from the Departments. In this connection, a list of 124 major targets was worked out between the British and this office at the beginning of 1943. This list is still the basis for British economic intelligence work in Latin America.

This office, in close cooperation with selected officials of those Departments which receive the reports, particularly the State Department and the Department of Justice, has been currently consulted on problems of economic warfare with regard to Latin America as well as on economic and political problems relating to the penetration of Latin America by the operations of German trusts, German-controlled cartels, and major German companies. Within the limits of its facilities, this office prepared comprehensive monographs about subjects of greater importance, the last one being about a German attempt to gain a strong foothold in the oil industry of Ecuador*.

This office has consistently been challenged by rising demands for more information by the Departments which, for obvious reasons, have not been informed of its extreme dependence upon the facilities of an Allied Power. Only two officials who cooperate particularly closely with this office, are aware of the main source of its information: Mr. Francis H. Russell, Chief of the World Trade Intelligence Division of the State Department, and Mr. Hugh D. Cox, Assistant Solicitor General of the United States. Mr. Cox is probably the best friend this office has among officials in Washington outside the O.S.S., and he has been able to interest the Attorney General himself in the project. The Attorney General has recently ordered his Department to work out for him a memorandum about the Latin American situation. This memorandum is mainly based on our reports.

*See report B-903 re Equapetrol, copy of which may be obtained from Lt. Col. Miller's office.

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In the course of its operations, this office has accumulated extensive information about the German - and to a lesser degree the Italian and Japanese - economic-political penetration of Latin America. This office has set up an extensive filing and carding system, covering approximately 7,000 files and 30,000 cards, which contain confidential information about approximately 37,000 firms and individuals of interest in connection with economic warfare in the Western Hemisphere, particularly Latin America.

This office, from its inception, has worked under the cover of a commercial company (see enclosed Dun & Bradstreet Report). It has always gone to great lengths to protect this cover. This has not only served to safeguard the secrecy of its operations, but has also inspired all its staff members and also all officials in the Washington Departments with whom it cooperates with a highly developed sense of discretion and caution. The result is that this office, whose reports circulate widely in Government offices in Washington, is hardly known at all. Not the least of the reasons for which this office maintains such complete cover has always been the consideration that it would serve as an excellent protection for future activities in Latin America.

It has been the consistent policy of this office to keep the size of its staff within the narrowest possible limits. Parallel to the increase of work, however, the staff had to be gradually enlarged. The staff, including the Chief of the office, now consists of eleven as compared with four members at its inception, an increase of 175% (four of these as compared with formerly two doing investigation and research work). In the same time, our monthly budget has increased from \$3,963 to \$5,425, that means only 37%.

II.

EXTENSION TO LATIN AMERICA

It will be remembered that this office at the time of its transfer to the O.S.S. had just successfully terminated the first round of its fight against Axis economic-political penetration of the Western Hemisphere. Carrying out, through its own agents, S.I. and S.O. work against the principal German companies in the U.S.A., it had, before Pearl Harbor, laid the groundwork for action taken after Pearl Harbor by the Alien Property Custodian and several Senate Committees against the strongholds of I. G. Farben, Schering, the German Steel Trust, etc., in this country. Preparations for the second round in Latin America were well advanced when the entry of the U.S.A. into the war made the transfer of this project to U.S.

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authority necessary. When subsequently, through no fault of its own, the O.S.S. was not able to provide the necessary jurisdiction for S.I. and S.O. activities in Latin America and no other agency could be found which was able or willing to provide such jurisdiction, the solution was found in an arrangement with the State Department and the British S.I.S. as described in Part I. This was to be an emergency solution, lasting only until such time as the O.S.S. would obtain sufficient jurisdiction to cover the establishment of an S.I. and an S.O. organization in Latin America, at least in the field of economic warfare. Twice the O.S.S. renewed its attempt to obtain such jurisdiction for this office: in December 1942, particularly in the S.I. field, in cooperation with G-2, and in May 1943, particularly in the S.O. field, in cooperation with the State Department. Both attempts appear to have fallen short of success.

While doing its utmost to be useful within its present limits, this office has constantly kept in mind the ultimate purpose for which it was taken over by the O.S.S., and has methodically developed its internal facilities so as to be able to form the nucleus of a field organization in Latin America whenever called upon. It has been especially for this reason that this office has assembled as comprehensive a store of information as described in Part I and has constantly trained its staff for future cooperation with a field organization of its own. Today, this office would be able to enter the Latin American field without any assistance whatsoever from other services, including the British S.I.S.

It is today an open secret, at least inside the Government, that the U.S.A. has practically no S.I. and S.O. Service in Latin America. The German secret services operate in Latin America in three divisions:

- 1/ ABTEILUNG I, covering military, naval, air, political and economic espionage;
- 2/ ABTEILUNG II, covering sabotage in its broadest sense;
- 3/ ABTEILUNG III, covering counter-espionage.

The services under #1 and #3 have their counterpart principally in the F.B.I. whose jurisdiction for Latin America covers all espionage branches and also counter-espionage. In effect, however, the F.B.I. has nearly exclusively confined itself in Latin America to counter-espionage, with a degree of efficiency that has been questioned. The F.B.I. does not cover much political intelligence, and economic intelligence not more than incidentally. Mr. Hoover infrequently passes pieces of economic intelligence on to Mr. Adolph Berle. Such intelligence comprises an entirely insignificant part of the information

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assembled in the files of the World Trade Intelligence Division, and Mr. Francis H. Russell, the Chief of this Division, has repeatedly confirmed to me the complete irrelevance of this most spotty, incoherent and often unchecked information for the work of his Division. It is confidentially learned from Mr. Hugh B. Cox, Assistant Solicitor General, that Mr. Hoover has recently conceded to the Attorney General himself that his organization was neither able to nor interested in engaging in secret economic intelligence. This appears confirmed by the fact that, according to a report of the U.S. Embassy in Rio de Janeiro, No. 14055, dated January 4, 1944, "the legal attache's section in the Embassy has stated that, since early November of last year, it has discontinued the reporting on commercial and economic matters". The "Legal Attache" is the representative of the F.B.I., and it suggests itself that the official discontinuation of economic intelligence by the F.B.I. in such an important country as Brazil is indicative of a general decision or at least intention of the F.B.I. with regard to economic intelligence in Latin America. G-2, O.N.I., and A-2 have, from time to time, made excursions into the intelligence and counter-espionage sphere of the F.B.I. and once in a while they have even hit the economic sphere, but hardly with an intention of even denting it. S.O. activities are not even jurisdictionally covered by any agency of the U.S.A., and, as far as is known, no agency has ever aspired to obtain such jurisdiction.

Beside the retreat of the F.B.I. from secret economic intelligence in Latin America, a second factor that has recently developed will have an important bearing on the situation. This is a decision of the British S.I.S., made by its head office in London, apparently somewhat against the suggestion of its New York office, to stop developing any further its political and economic intelligence services in Latin America and to desist from establishing an S.O. organization there. This decision is obviously determined by the consideration that Latin America is officially acknowledged by the British Government to belong primarily to the U.S. sphere of interest. The attempt which the Chief of the British Service in New York made last May at persuading the O.S.S. to initiate S.O. activities in Latin America, in connection with this office, pointed already in that direction, although, at that time, the British were apparently still prepared to go along with the O.S.S. The consequence of this decision by the British is that, failing the existence of any Allied S.O. service whatsoever in Latin America, German subversive activities in Latin America will continue entirely unchallenged. In the secret intelligence field, the main load will continue to rest on the British S.I.S., limited to its present facilities.

This office has no sufficient judgment about the extent and efficiency of British secret intelligence in the political field. In the economic field, however, this office, by long and close cooperation with the British S.I.S., is well able to pass judgment. This office

has even the advantage of being in complete, if only unofficially expressed, agreement with the British on this point. British secret economic intelligence has, no doubt, proved to be of considerable value to the British Government and, through the medium of this office, also to the U.S. Government. Yet, the organization of the British intelligence service in Latin America is far from meeting the requirements and from producing geographically and topically satisfactory coverage. This office, since its transfer to the O.S.S., has received from the British office in New York, on the basis of its agreement with the O.S.S., 1897 reports. Of these reports, only 833 contain intelligence worth passing on to the Departments in Washington; the balance contained either minor or insufficiently confirmed information or referred only to questions of procedure. These 833 reports refer to the following countries:

Argentina	123
Bolivia	12
Brazil	65
Chile	101
Colombia	127
Costa Rica	15
Cuba	8
Ecuador	102
Guatemala	18
Mexico	74
Peru	27
Uruguay	28
Venezuela	47
Paraguay	2
All other countries:	34

From this schedule, it is apparent that the British Service in Latin America is most unevenly and disproportionately organized. Such large and important countries as Argentina and Mexico, centers of German activities in Latin America, are hardly better - Mexico even less - covered than Ecuador and Colombia. Bolivia, one of the most vicious strongholds of Nazi influence, has smaller coverage than tiny Guatemala and Costa Rica. According to the comparatively limited interest which the British Government takes in Latin America, it is entirely understandable that they have not assigned their most qualified field agents to that geographical sphere and have always only insufficiently and belatedly tried to improve conditions where they were particularly unsatisfactory with regard to organization and personnel. It is known to the British office in New York as well as to this office that the British agents in Latin America have, in general, not been able to penetrate sufficiently into the interior of those German companies which hold a key position - not only economically but also politically - in Latin America, and that the British agents are very often in the habit of duplicating the open intelligence job of the Embassies instead of applying secret intelligence procedure. It goes without saying that, in the complete absence of any secret economic intelligence service of

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the U.S.A., the British still rate very highly with regard to Latin America.

III.

PROSPECTS OF EXTENSION

It would appear logical that, if and when the O.S.S. obtains jurisdiction over Latin America, the espionage, counter-espionage and S.O. organization of the O.S.S. should be automatically extended to Latin America. It is unknown to the writer whether or not this would be the procedure envisaged by the O.S.S. It is also unknown to the writer whether the O.S.S. would consider it now the opportune time to request jurisdiction over Latin America to its fullest extent.

This office naturally approaches the problem from a more limited point of view. It has never dealt with counter-espionage and does not appear particularly prepared for it. Strictly conforming with the instructions of the O.S.S., it has always limited itself to S.I., that means espionage activities. In the S.I. sphere, it has mainly worked on economic S.I. intelligence. It would, however, be able, without difficulty, to cover political intelligence also, because, in Latin America, the Germans have closely coordinated subversive economic and political activities, and, besides, the Chief of this office is naturally familiar with the political aspects of the German system. In the S.O. field, the experience of this office is proven and known to the O.S.S. Primarily economic in the past, this office would be equally able to cover the political S.O. field.

It therefore appears that the experience of this office fills in where other U.S. agencies, principally the F.B.I., while having jurisdiction, have actually failed to exercise this jurisdiction. This failure is to no small extent responsible for the deterioration of the situation in Latin America. The F.B.I., as explained in Part II, is now obviously aware of its failure, at least in the economic field. How far the F.B.I. would be willing to concede such failure and to yield jurisdiction to the O.S.S., is of course a different matter. It appears, however, and this is not only the writer's opinion, that, if the O.S.S. would be able, as it is, to present an office which has successfully made secret economic intelligence for Latin America its main job, the F.B.I. would, even if not willing, probably not be able to maintain its resistance against the O.S.S. taking over the work which the F.B.I. has failed to do and has visibly no interest of doing. Once the jurisdiction of the O.S.S. in the economic field of Latin America is established, the natural course of events would sooner or later draw political intelligence into its orbit too, while the F.B.I. would probably defend its jurisdiction over counter-

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espionage to the very last.

The S.O. problem is somewhat different. No agency of the Government, as explained in Part II, has S.O. jurisdiction for Latin America. The main obstacle here is the State Department's traditional disinclination to permit S.O. activities in foreign countries except apparently in enemy territory. In Latin America particularly, the State Department takes the attitude that, as the majority of the Latin American countries have officially adopted the U.S. policy toward the Axis, and as direct contributions from Latin America to Axis warfare in Europe are interrupted by maritime blockade, the principal aims of U.S. policy in Latin America have been achieved. This attitude, of course, does not take into account that the governments of most Latin American countries, even those at war with the Axis, have by far not sufficiently implemented that policy and, motivated largely by opportunistic considerations, are not likely to implement it better. This attitude further does not take into account that such an important issue as the protection of the position and interests of the U.S.A. in Latin America herself is increasingly endangered by Axis activities and that diplomatic pressure has largely failed to produce sufficient counter-action by the local governments against such activities. It could therefore be imagined that in view of recent events in Argentina, Bolivia and Paraguay - not to speak of the visible deterioration of the U.S. position in other countries, particularly Mexico - the State Department might today lend itself more easily to suggestions of S.O. activities in Latin America by an agency not involving the authority and responsibility of the State Department and therefore not endangering its diplomatic position. Such activities appear to be the only ones apt to check mounting German influence, unless the State Department should reverse the "Good Neighbor" policy and apply the power of the U.S. against Latin America, which it is very unlikely to do.

IV.

PROCEDURE OF EXTENSION

It would appear premature, at this juncture, to submit to the O.S.S. detailed plans for an S.I. organization, even in the economic field, and an S.O. organization in Latin America. Such plans have been in readiness for quite some time and this office could present them at any moment.

In general, the procedure which this office would suggest to follow would in some respects be different from the procedure of the F.B.I. It is not only the opinion of this office that one of the principal reasons, if not the principal reason, for the failure of the F.B.I. in Latin America is the lack of sufficient cover under which the F.B.I. is accustomed to work down there. It is understand-

able that the F.B.I., being actually a police and not a secret intelligence service, has more or less applied the same methods in Latin America as it is applying in the U.S.A., that means operating in general openly and under reference to its authority as agent of the U.S. Government. Contrary to the set-up of the F.B.I., this office would suggest not to install the chief agent and his assistants in the embassies, but to keep them as completely under cover as the sub-agents are generally kept. The disadvantage of losing diplomatic protection would be more than compensated by the more complete secrecy which this procedure guarantees. This procedure would further serve as a complete protection for the diplomatic services and would therefore be apt to obviate objections by the State Department which has always tended to restrict F.B.I. activities in Latin America, in order not to embarrass the embassies.

For these reasons, this office, as explained in Part I, has, from its inception, worked under cover of a commercial company and done its very best to protect this cover. Without much difficulty, chief agents in Latin America could be installed under commercial cover too, thus providing a well-organized net of secret service connections which would have a good chance not only of being much better protected against interference by Axis counter-espionage and unfriendly governments, but also of being able to penetrate much more easily and inconspicuously the well-covered organization of the German economic-political system in Latin America. This, of course, would imply a more reserved attitude toward the police services or whatever there is of secret services of the Latin American Governments themselves, with whom the F.B.I. is in more or less close contact. While, in some cases, it may be possible to obtain valuable information from such sources, they are mostly so corrupt, unreliable and dependent upon the constantly changing political scene that in balance the results must be considered negative. Contacts with the embassies should be maintained only for two purposes:

- 1/ To use the embassy facilities for transferring information to the U.S.A. (codes and pouches) - at least as long and as far as secret radio transmission does not appear feasible;
- 2/ To transfer to the embassies results of secret intelligence, as far as they are of interest to them, unless it should appear preferable to transfer such information via headquarters in the U.S. to the State Department.

Contacts with the embassies should be most carefully kept under cover.

It would further appear in the nature of a careful and sound development to proceed gradually. Although the present situation in the Argentine, for instance, challenges the courage and intelligence of a secret service, it would appear hazardous to start experimenting

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in the most difficult country of all. Chile appears to be the country in which the tide of German influence is hanging in the balance, and the situation yet not so difficult that a key station could not be established with probability of success. Mexico appears to be the second country. Experience of time in these two countries would show whether the service may consider itself strong enough to go into the heart of enemy activities, namely to Buenos Aires. Later stations in Colombia and Brazil would appear indicated. However, this and the establishment of stations in further countries should be open for debate and adjustment, according to developments.

It is clear that it will be difficult to give an estimate of the costs involved. In the long run, the mere expenses of the organization itself: office expenses, salaries, etc., will not be as important as the expense of obtaining information and, if S.O. action should be taken, of such action. As a rough estimate, an amount of \$200,000 per month would appear sufficient for the first half year for the two stations in Chile and in Mexico. To this estimate would be added expenses for maintaining contacts between those offices and headquarters in the United States, such as travelling expenses, etc.



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RESEARCH & ANALYSIS
FROM IMPORT & EXPORT

NEW YORK CITY, 19, N.Y.
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History

HISTORY
New York Corporation, chartered August 14, 1941, as Western Continental Trading Corp. with an authorized capital of \$10,000., all common stock, par value \$100 each. On October 26, 1942, the name was changed to Western Continental Corporation. This enterprise was originally located at 30 Rockefeller Plaza, New York City, New York, but removal was effected to 10 Rockefeller Plaza in 1942.
George H. Muhle born July 17, 1899 in Hamburg, Germany. Is married and he entered the United States on December 9, 1930 on an immigration visa. He has his first citizenship papers and filed his petition for naturalization on January 20, 1944. He studied law and economics at Heidelberg and other German universities. From 1925 to 1933 he was in Germany Civil Service, from 1937 to 1933 he was a consultant to the government in the Ministry of Trade & Commerce, Berlin, specializing in international trade and economics. In 1935 he was discharged by General "Earing of Commerce-Bank A.G., Berlin, discharged because of anti-Nazi activities. During 1939 George H. Muhle was employed by the Bank of Manhattan Co., in the business expansion department. From 1939 to 1940 he was in the Import department of Schering Corporation, of Kenilworth, N.J. Since 1941 he has been consulting economist in connection with the Western Continental Corporation.
William Stebold, Jr., is 20 years of age, married and native born. He is in the selective service draft. He is a professor of economics specializing in international economic problems. Stebold graduated from Swarthmore College in 1937. He graduated in International Economics at Yale University and the London School of Economics. He spent the summers of 1937, 1938, and 1939 traveling in Europe, studying economic problems. From 1939 to 1940 he was connected with Rockefeller research fellowship of the Council on Foreign Relations. He subsequently joined the staff of the Council on Foreign Relations of 45 E. 65th Street, in New York City, as research economist. The Council is a private research organization specializing in American foreign policy. Stebold joined Western Continental Corporation in May 1941. He is the author of the following publications: New Directions in our Trade Policy; New York 1941 (Council on Foreign Relations); A book on the full trade agreement program and how it was effected by the first 18 months of war. He has also written articles on problems of American foreign trade, shipping, and he has written in the American Economic Review, foreign affairs and free world. He has also made book reviews in various periodicals.
June Anne Stebold, single, born in Canada is a naturalized citizen of the United States. She attended University of Manitoba, located at Manitoba, Canada, and then at the Chicago School of Commerce, Chicago, Ill. She held various secretarial positions in Chicago from 1939 to 1941 and was the business manager of the former Jefferson Park Hospital in Chicago, Ill.

WAS EMPLOYED AS SECRETARIAL PERSONNEL, AND
 THIS CORPORATION IS ENGAGED IN COMMERCIAL RESEARCH, ECONOMIC ANALYSIS AND SUBMITTS
 FINANCIAL ADVICE IN CONNECTION WITH FOREIGN COUNTRIES, PARTICULARLY LATIN AMERICAN,
 WORKS FOR BANKS, INDUSTRIAL AND TRADING COMPANIES. THE CORPORATION MAKES SURVEYS,
 BACKGROUND REPORTS, AND IS ENGAGED IN FINANCIAL STUDIES AND ALSO REPORTS ON CURRENT
 ECONOMIC DEVELOPMENTS, ON A FEE-BASED BASIS. IN ADDITION, IN THE PAST, THE CORPORATION
 HAS ALSO ENGAGED IN EXPORTING ACTIVITIES, HANDLING SUCH ITEMS AS CHEMICALS AND
 PAPER ON CREDIT AND ON OPEN ACCOUNT TERMS. HOWEVER, THE EXPORTING PHASE OF THE BUSINESS
 HAS ALMOST BEEN COMPLETELY DISCONTINUED FOR
 THE TIME BEING.

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WESTERN CONTINENTS CORPORATION
 CO 197 1 MARCH 14, 1944
 RESEARCH & ANALYZATION
 WORK & IMPORT & EXPORT
 NEW YORK CITY, 19, N.Y.
 (PAGE #2)
 METHOD OF OPERATION—FIRE HAZARD (CONY'D)
 RENT, room 829 on the eighth floor of a large, modern office building, which is in excellent condition, and which is one of the Rockefeller Plaza groups. Remainder of the building is variously tenanted.
 FIRE RECORDING fire reported.

FINANCIAL INFORMATION
 Interviewed March 9, 1944, George H. Muhle, withheld financial details, but indicated that operations are on an increasingly profitable basis. He did state that the corporation is operating with modest funds and due to the nature of the business is not a seeker of commercial credit.
PAYMENTS
 Incidental purchases are reported to be made for cash.

SUMMARY
 MANAGEMENT: THIS CORPORATION, ESTABLISHED IN AUGUST 1941, ARE VERSED IN ECONOMICS, THE OPERATIONS OF THE CORPORATION ARE REPORTED TO BE ON A PROFITABLE BASIS, BUT FINANCIAL INFORMATION IS WITHHELD.
 3-14-44 (86)

N. Q.

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 CONTINUOUS SERVICE
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MEMORANDUM II

I GERMAN FIRMS AND SUBVERSIVE NAZI ACTIVITIES

(The facts in this memorandum are illustrative only and by no means exhaustive. Much more evidence is available).

The core of the enemy's organization in Latin America is made up of German business houses. Wherever a German firm exists in Latin America, there also exists a part of the Nazi Party, the German Secret Services, and any number of other branches or agencies of the Reich. The extent to which German firms carry with them their own political organization may be seen from many facts. One of the most striking is the way in which a completely Nazi town grew up at Rincon del Bonete on the Rio Negro in Uruguay. CONSAL LTDA., a German consortium made up of A.E.G., SIEMENS SCHUCKERT, and some other firms, secured a contract from the Uruguayan Government to build a hydroelectric works on the Rio Negro. Workers were brought in from all over Argentina and Uruguay. Germans and Nazis were preferred but the demand was greater than the supply so that non-Nazis and non-German workers were also employed. A new town grew up on the building site. It was completely dominated by the Nazi Party and had within itself German schools, a German propaganda agency, storm troops, Gestapo, the German Labor Front, the German Winterhilfswerk, and all the other appurtenances of a Nazi-fied town. Rincon del Bonete was but a microcosm of the German organization in Latin America as a whole.

German enterprise in Latin America includes firms of all sizes, engaged in almost every line of activity. Naturally the largest firms are usually those that have been of greatest importance to the enemy in organizing his subversive work. Thus the large international concerns such as I.G. FARBE, SCHERING (chemical and pharmaceutical), A.E.G., SIEMENS (electrical goods), and the German Steel Trust along with some others, have been in the front rank of Nazi activity just as they have been the spearheads of German economic penetration. Equally important have been the companies which have limited their activities to one or two countries. Notable among these are the KYLLMANN, BAUER-SOC. LTDA. in Bolivia (wholesale and retail), ALMACENES HELDA STAUDT & CIA. in Colombia (general trade), ECUAPETROL in Ecuador (oil), STAHL UNION in Chile and Argentina (steel), STAHL UNION (steel), STOLTZ and WILLE in Brazil, and BLOHM, ZINGG and BREUER MOLLER in Venezuela (all commercial).

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ESPIONAGE

The German Secret Intelligence Service has its agents in almost all German firms in Latin America. The two managers of A.E.G. Brazil, ERWIN KOEHLER and WILLY KOENIG, were arrested by the Brazilian Government as espionage agents. ALFRED ENGELS was hired by this company as a director solely in order to give him some commercial cover for his espionage activities. The A.E.G. manager in Chile, AUGUST SIEBRECHT, took over the leadership of German Intelligence for that country when its previous leader was repatriated with the diplomatic officials. WILLY MUEHLSCHLEGEL SCHMIDT, technical manager of the company, has been active in radiating messages to Germany. HANS HEINKE, another employee, was one of the network of German spies recently arrested by the Chilean Government.

The other great German electrical firm, SIEMENS SCHUCKERT and its affiliates (SIEMENS & HALSKE, SIEMENS BAU UNION, etc.), throughout Latin America are among the most important Nazi espionage centers. SIEMENS SCHUCKERT, S.A., CIA. PLATENSE DE ELECTRICIDAD, Buenos Aires, also acts as a clearing house for German counter-espionage information. The firm employs Nazi agents in important positions, including ARTURO BOMLY, MARTIN SCHWARTZ and H. FITZNER. MARCEL SUNHABER, ostensibly a travelling salesman for SIEMENS BAU UNION, actually has travelled all over Latin America to perfect the organization of the German Intelligence Service. In Brazil, HERMANN DENNLER, head of SIEMENS SCHUCKERT's Sao Paulo branch, was the Intelligence chief for his area. MAX POMORSKI, director of the firm, was subsequently jailed for espionage, as was RODOLFO GERLACH, the sub-director. The Recife branch of SIEMENS SCHUCKERT S.A., Brazil, appears to have been nothing but a cover for espionage work. The manager there, ARTHUR OSCAR REICHELT, handed on information to German ship captains and WERNER TINN, an important employee, operated a secret radio transmitter. In Chile, ARNOLD SIEMSEN, the head of SIEMENS' technical department, maintained a radio transmitter. ERNST VON MATUSCHKA of that firm was the go-between for the German Embassy and OSCAR RABLE, official of the German Intelligence Service in Chile. WALTER KAUFMANN, of SIEMENS' technical department, was arrested in the Chilean Government's recent round-up of German spies. HANS HAGELSTEIN, SIEMENS' agent in Colombia, was also a German agent.

The I.G. FARBEN companies are also important centers of Nazi espionage. GUILLERMO R. CORNEJO, manager of CIA. GENERAL DE ANILINAS S.A., Peru, has been one of the most active Nazi agents in that country and has worked hand in hand with HANS ANDRESS, manager of LA QUIMICA RAYER, Peru. These two men have been in contact with HEINZ JUNGE, an enemy agent located in Buenos Aires. HANS WARSITZ, one of the partners of ANILINAS in Chile, was close to the German attache VON BOHLEN, former head of German Intelligence in Chile. Two

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employees of this firm, CLAUD KIMBS and DIEGO FAJARDO, formed part of the spy net broken up by the Chilean Government recently. WERNER STIERING, manager of BAYER Chile, organized the German Intelligence Service in Chile. STIERING's secretary, ANNA BRADENKAMP DE KILLEMANN, has been a German agent specializing in economic intelligence and particularly data on mining in Bolivia and Chile. She has also made reports on the Chilean armed forces. TEODORO SOHN, manager of ANILINAS ALEMANAS, Colombia, has travelled much more than was warranted by his business and is suspected of undercover activities. The manager of the BAYER branch in Medellin is EDGAR STUBBS MEYER, an active Nazi, who lives with HILDA RODRIGUEZ MONTERO, a Spanish agent. His brother, WALTER EDUARDO, using the alias "GALLEGO" has been active as a Nazi agent.

One of the chief centers of Nazi espionage in Brazil was the firm of STAHLUNION LTDA., agency of the German Steel Trust. NIKOLAUS EDUARD VON DELLINGSHAUSEN, head man of the company, was a German Intelligence agent. STAHLUNION acted as guarantor for amounts up to 200,000 cruzeiros which VON DELLINGSHAUSEN could draw from German banks in Brazil. KURT ENGELS, an employee of the Sao Paulo branch of STAHLUNION was also given a jail sentence for espionage. MARIA DO CARMO ARAUJO, a German woman with a Portuguese husband, acted as cashier for STAHLUNION and was used by the German managers of the firm in carrying on subversive activities. A number of other STAHLUNION managers and employees were actively engaged in Nazi underground work and were subsequently arrested and given jail sentences. One of the associates of STAHLUNION, THEODOR FRIEDRICH SCHLEIBEL, a director of AGOS MARATHON DO BRASIL, was one of the chief organizers of the Nazi Secret Service in Brazil. He was a close friend of MARIA DO CARMO ARAUJO. Officers of German steel companies associated with STAHLUNION were also sentenced to jail for German secret service work.

Often German firms have made their chief contribution to Nazi espionage by services connected with their regular business functions. Thus, OSTERN & CO., S.A., shipping agents in Peru, have been employed by the German Naval Intelligence. The brothers, ERNST, RICHARD and ERWIN KREFFT of this firm have been the most active agents and worked closely with FERDINAND WESTOFF, an agent who was later arrested and interned in the United States. CARL ZEISS SOC. OPTICA LTDA., Brazil, had in its possession blueprints and plans of Brazilian naval vessels and coastal fortifications.

There is at least one case in which the Germans organized a company that had practically no activity except the gathering of intelligence material. SOC. INTERNACIONAL DE COMERCIO, LIMITADA, in Rio de Janeiro, was a branch of INTERNATIONALE HANDELSGESELLSCHAFT m.b.H., in Berlin, a Government owned company which centralized the collection of information. The main spring of the Brazilian firm was

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FRIEDRICH WILHELM BEUTNER, one of the earliest members of the Nazi Party and a close personal friend of HITLER. BEUTNER was careful not to implicate himself in obvious Nazi activities. He also took in Brazilian partners who withdrew in 1942. However they remained friendly with BEUTNER and one of them, OLAVO EGIDIO DA SOUSA ARANHA Jr., a nephew of Foreign Minister OSWALDO ARANHA, was able to secure BEUTNER's release in less than 24 hours after he was arrested. BEUTNER continues at liberty.

PROPAGANDA

German firms in Latin America were the chief founts and financiers of Nazi propaganda in that area. A group of German firms in Buenos Aires made up a fund of 100,000 pesos which was used by KOEHLER & AVERY to advertise German products over the Black Listed RADIO PRIETO. Newspaper advertising was used not only for its own sake but as a vehicle for subsidizing native newspapers to carry German propaganda in their news columns. BAYER Chile, for instance, has concealed subsidies in excessively high rates paid for its advertising in favored papers.

Many German companies were of importance in spreading word of mouth propaganda because their officials moved in influential circles. The BAYER company in Colombia in September 1943 threatened pharmacists who would not buy German goods with postwar reprisals, saying that they would not be able to buy BAYER products after the war or would have to pay special premium prices unless they wished to rely on the "inferior" American goods. Such firms as BAYER and the other FARREN companies which have widespread organizations, direct contacts with innumerable customers (doctors, druggists, textile plants), a large staff of travellers, and a good knowledge of advertising media, have always been major elements in Nazi propaganda work in Latin America. The AGFA division of BAYER Brazil maintained a large file of German propaganda photos. Travelling salesmen for such companies as BLOHM, Venezuela, ALMACENES HELDA, Colombia, and CASA TAGUA, Ecuador, distribute propaganda, pay agents, and pass on instructions. German firms in Argentina have a "defense committee" to counter the effects of the Black Lists.

Again, as in the case of espionage, the big electrical firms have had an important role. WILLY KOENIG of A.E.G. Brazil was the German Embassy's intermediary in the secret purchase of RADIO IPANEMA. The nominal ownership of this radio station continued to be Brazilian but the funds for its purchase were supplied by the German Embassy, which dictated policy. SIEMENS SCHUCKERT, S.A., Brazil was an important Nazi propaganda center. A great deal of propaganda material passed through the firm. In Rio, the distribution of this material was in charge of the manager of the lamp department. The Porto Alegre

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branch financed German propaganda distribution throughout the Province of Rio Grande do Sul.

HANS LICHTENBERG, secretary to the manager of EUGENIO BARTH Y CIA. SUCRS., Montevideo, received money from the Reichsdruckgesellschaft in Germany for distribution to Uruguayan radio stations. He paid 500 pesos a month to RADIO URUGUAY (CX26), 350 pesos a month to RADIO UNIVERSAL (CX22) and 450 pesos to RADIO NATIVA (CX50). He also did work on the German Hour broadcast over RADIO URUGUAY (CX26).

NAZI PARTY ACTIVITY

German firms in Latin America are centers of Nazi Party activity. In almost every country or city the leaders of the Party are also prominent business leaders. The Nazi Landesgruppenleiter for Venezuela throughout the war has been the manager of BAYER HADAMONSKI, whose brother is president of the Reichsdruckgesellschaft in Berlin. HADAMONSKI helped the Party with large sums from I.G. FARBE funds. FARBE employees elsewhere are also influential in handling Nazi funds in that country. MAX HADERS of ALLIANCA COMERCIAL DE ANILINAS, LTDA., Brazil, has been an active Nazi who could be relied on to help Party members who got in trouble, as could his colleague JULIO MARQUARDT. HERBERT LOTHKEBRUNG of ANILINAS Chile is the main disciplinarian of the Nazi Party. CARLOS G. LINGG of ANILINAS ALEMANAS, Argentina, is one of the strongest financial supporters of the Nazi Party. JUAN FISCHER of ANILINAS ALEMANAS, Mexico, had to be dismissed by a pro-Nazi Government intervener because his Nazi activities were so well known. LUDWIG SCHREIBER, manager of the BAYER company in the same country, is also a leading Nazi.

The electrical firms are also completely Nazified. The head of the German Arbeitsfront in Chile, ERNST WEISE MILLER, is a senior official of A.E.G., CIA. SUDAMERICANA DE ELECTRICIDAD. This company also employs two of the Arbeitsfront cashiers, JORGE SANDERS MOSSER and ERICH BURSIEDER. WERNER FORSTER, who represented the STEINMANN interests in Uruguay, and who had an office in the BARTH building, was in line for Party leadership after the notorious JULIUS DALDORF, the Press Attache. The Nazi Party leader for Santiago is ERNST KVERTS, chief of the commercial section of STEINMANN SCHUCKERT LTDA.

In Colombia two officials of BREUER, MÖLLER & CO. SUCRS., ALFONSO REINSTEIN PERALTA and ERNST BELLINGRODT, have been responsible for maintaining communications among the members of the Nazi Party despite official attempts to destroy it. Practically all the important

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officials of SOC. INDUSTRIAL TEOFILLO GROS in La Union, Chile, are active in the Nazi Party. The chief figure in this company, its secretary and commercial manager, JUAN FISCHER HERENE, is considered to be the most dangerous Nazi in southern Chile. SIEGFRIED HARMS, the manager of QUIMICA SCHERING ECUATORIANA, S.A. was Gauleiter for the Nazi Party in that country.

German firms are the main source of money for the Nazi Party in Latin America. All companies contribute to a number of Party funds, charitable and otherwise. The managers of "EQUAPETROL" CIA. PETROLERA Y COMERCIAL, S.A., Ecuador, made a point of contributing more than their competitor, FERROSTAAL, A.G., to win favor with the Party. HEINZ BLOHM, partner of BLOHM & CO., Venezuela, made especially large contributions. CASA TAGUA, S.A., in Ecuador, was widely known as one of the heaviest contributors to Nazi funds. When a number of German employees of that firm were repatriated in April and May 1942, the company was allowed to draw over \$1,280,000 from its frozen account as refunds to these people. This was a much larger amount than was actually necessary and the balance is believed to have been used to finance Nazi activities.

OTHER SUBVERSIVE ACTIVITIES

German firms in Latin America also play a large role in Nazi undercover activities other than espionage and propaganda. When the house of FEDERICO LUNDGREN, head of the notorious LUNDGREN concern in Brazil, was raided in 1942, 32 machine guns and also other weapons were found. The Monterrey branch of A.E.G., CIA. MEXICANA DE ELECTRICIDAD, S.A., handled arms smuggled from the United States. THEODOR WILLE CIA. LTDA. and HERMAN STOLTZ & CIA. in Brazil stored goods that were sent to Germany on blockade runners. The LUNDGRENS have fuelled Axis ships. M.A. DELFINO Y CIA., Buenos Aires, have been active in planning the location of German fuelling bases along the southern coast of Argentina. VORWERK Y CIA. in Chile serviced German ships that later supplied oil to the CHAF SPEE. This company has also used its country properties as Nazi drilling grounds.

Most of the German firms of importance have engaged at one time or another in practically all forms of Nazi subversive undercover activity, espionage, counter-espionage, propaganda and sabotage. The extent to which Nazi undercover activity in all its aspects is closely related to German economic enterprise in Latin America may perhaps be seen more clearly in the short sketch of a single firm, ALMACENES HELDA SOC. LTDA., with headquarters in Barranquilla, Colombia, and branches in several other principal cities of the country. This important trading house is a branch of OSTAFRIKANISCHE GESELLSCHAFT (A. HELD), Bremen. Though one of the most notorious Nazi firms in Latin America, HELDA has been able to survive Black Listing and the

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restrictions imposed by the Colombian Government. This has been done by clever management and securing political protection. First, Dr. JOSE ARTURO ANDRADE, a former senator, was made a partner. His political influence kept him off the Proclaimed List for some time. After listing he was dropped from the firm and replaced by CARLOS V. REY, a politician who has many friends in the Foreign Office and is a close friend of ex-President SANTOS. Now ALMACENES HELDA is nominally in liquidation, suggested by the partners themselves as a means of avoiding more stringent Government control. The partners of HELDA expect that the liquidation can be stretched out so that the firm will still be in existence when the war ends. During all this time HELDA has not only been carrying on a fairly successful business but has been one of the centers of Nazi strength and subversive activities in Colombia. EMIL PRUEFERT, Nazi Party chief in Colombia until his expulsion, was one of the original partners. WALTER HELD, another partner, is the German Intelligence chief for Bogota and at one time was in charge of the funds belonging to the Arbeitsfront. His brother and partner, ADOLF, lives in Barranquilla and is generally responsible for the Nazi organization along the coast of Colombia. He has obtained permission to stay on in this region, nominally barred to Germans, by posting a bond of 10,000 pesos. He is also able to travel to Bogota. ALMACENES HELDA owns a finca in the Province of Jesus del Rio, on which is located a landing field, an arms depot, and a radio transmitter taken from the German Consulate in Barranquilla. The manager of the finca is WILHELM OEDING, Stützpunktleiter for the Province. In Manizales, ALMACENES HELDA's power of attorney was held by ALFREDO BOCK, the Nazi leader, until he was dismissed for embezzlement. The company's safe in Manizales is in charge of ALBERTO PUENTE, who uses it as a depository for propaganda. One of the employees of ALMACENES HELDA in Barranquilla is WALTER EICKWORTH, a dangerous Nazi agent. HELDA's travelling salesmen cover all of Colombia, passing out instructions to Nazi propagandists and distributing funds. Through the intermediary of Dr. EDUARDO STAALMANN, HELDA is alleged to finance the anti-Allied newspaper PROTESTA LIBERAL. HELDA has also been engaged in the smuggling of platinum to Germany through Nazi and Falangist agents.

CONNECTIONS WITH THE GERMAN EMBASSY

The important Nazi firms are in close contact with the German Embassies, from whom they often receive instructions. Personnel frequently overlap. When the German diplomats in Uruguay were sent home HANS LICHTENBERG, WERNER FORKER and HERBERT THOMSEN were sent with them because they were virtually Government officials. THOMSEN handled the affairs of the GRAF SPEE sailors on behalf of the Embassy and was part time assistant to JULIUS DALLDORF, Press Attache and Party Leader. All three were employed by EUGENIO BARTH Y CIA. SUCRS.

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In many countries German diplomatic missions have formed groups of Nazi business men to take charge of German affairs when diplomatic relations were broken off. Such a committee has been in existence in Argentina for several years. CARLOS G. LINCK of ANILINAS ALEMANAS and OTTO RUSCHE of A.E.G. are among its members. HERBERT LARSEN, manager of EUGENIO BARTH Y CIA. SUORS., belongs to the committee in Uruguay. WALTER HADAMOWSKY, manager of BAYER Venezuela, took charge of German affairs at the Spanish Embassy when the German diplomats withdrew. In Chile AUGUST SIEBRECHT, the manager of A.E.G., more or less inherited the Minister's functions and was given charge of Legation documents. GUILLERMO KYLLMANN of KYLLMANN, BAUER & CIA., Bolivia, received instructions in the handling of German affairs from ERNST WENDLER, former German Minister who was repatriated.

THE FALANGE

Officials of SIEMENS SCHUCKERT S.A., CIA. PLATENSE DE ELECTRICIDAD, Buenos Aires, are active in the Falangist movement. JOSE MELLA ALFAGEME, SIEMENS' manager, was leader of the Falange in Argentina before the outbreak of war. MARTIN SCHWARTZ, assistant manager of the firm, is a liaison between the Falange and the Nazi Party. ALEJANDRO VON DER BECKE, manager of SCHERING Argentina, when on a mission to Brazil, asked SIEMENS SCHUCKERT, S.A., CIA. BRASILEIRA DE ELECTRICIDAD, Rio de Janeiro, to recommend a trusted Falangist who could receive packages (believed to contain films) that would arrive on Spanish ships. SIEMENS had such a person in PEDRO ALVAREZ LOPEZ, a Falangist lawyer who had spent some time in Spain and is a close friend of President VARGAS of Brazil. In Venezuela GUSTAVO ZINOG, partner in the important German commercial firm of that name, has always worked closely with the Spanish Embassy and for his own protection secured Falangist truck drivers to carry goods between the branches of his firm. BAYER Venezuela supplied funds to the local Falangist organization. Later WALTER HADAMOWSKY, manager of this firm, secured the use of the Spanish diplomatic pouch to transfer messages for I.G. FARSEN.

NATIVE ANTI-DEMOCRATIC MOVEMENTS

German firms in Latin America have frequently subsidized or otherwise helped native Fascist movements. GUILLERMO KYLLMANN of KYLLMANN, BAUER & CIA. and a number of other Germans in Bolivia had a hand in the coup d'etat of December 1943. German firms in Argentina have excellent relations with the military groups that seized the Government in June 1943, largely through General BASILIO B. PERTINE, president and director of several German electrical firms, who was appointed mayor of Buenos Aires by ex-President RAMIREZ. HANS VIETEN,

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an important Nazi in Colombia, has been the chief force behind the pro-Fascist "Accion Nacional" in the Province of Antioquia. Among those arrested in December 1940 in connection with the FUHRMANN plot to overthrow the pro-Allied Government of Uruguay were JULIO HOLZER, an employee of EUGENIO BARTH Y CIA. SUCRS., who was sentenced to nine years, and OTTO KLEIN, an engineer for CONSAL LTDA., who was sentenced to 12 years.

A favorite device of the German firms has been to appoint as officers or directors prominent citizens of the country in which they were located. A.E.G. Argentina put on its board of directors RAMON S. CASTILLO Jr., son of the then President and himself editor of a Falangist newspaper. "THYSSEN-LA METAL", CIA. INDUSTRIAL Y MERCANTIL THYSSEN LTDA., the Buenos Aires subsidiary of the great German iron and steel company, chose as its president CARLOS MEYER FELLEGRINI, one of the leading lawyers of Argentina. ALMACENES HELDA used the same device (page 7), as did F.W. BEUTNER (page 4).

I.G. FARBER has achieved important benefits through its influential connections. GONZALO RESTREPO JARAMILLO, head of one of the leading families in Colombia, took the lead in organizing groups of Chilean capitalists who formed companies that "took over" German interests and are in that way preserving these businesses until after the war. ANILINAS ALEMANAS in particular benefitted from this device. MAX J.H. HAMERS, president of ALLIANCA COMERCIAL DE ANILINAS LTDA., Brazil, was arrested by the police but released when Army authorities stated that he was working on important contracts for them. CIA. GENERAL DE ANILINAS Y PRODUCTOS QUIMICOS SOC. LTDA. in Chile employed as lawyers: OSVALDO KOCH, son-in-law of ex-President CARLOS IBANEZ DEL CAMPO who was himself at one time Minister of the Interior, and ARTURO ALESSANDRI, an eminent lawyer and dean of the law faculty, and of ex-President ARTURO ALESSANDRI PALMA. Perhaps the greatest achievement of I.G. FARBER in securing protection through good connections occurred in Argentina. ALFREDO MOLL, manager of ANILINAS ALEMANAS S.A., agent of MAX ILGNER who heads FARBER's intelligence service, and a thoroughgoing FARBER man, resigned his post in July 1941, two days before the Proclaimed List was published, and set up in private business. By this manoeuvre MOLL hopes to preserve the FARBER structure and keep customers. MOLL has not been put on the U.S. Proclaimed or British Statutory Lists because he is the brother-in-law and close friend of RAUL PREBISCH, manager of the BANCO CENTRAL DE LA REPUBLICA ARGENTINA.

ALEJANDRO VON DER BECKE, manager of QUIMICA SCHERING S.A., Buenos Aires, was active in Nazi affairs as well as in his own company, but was able to stay off the Proclaimed and Statutory Lists because his brother, pro-Nazi General CARLOS VON DER BECKE, is chief of the Argentine General Staff. Finally, in October 1943, after the coup d'etat (the General was part of it) ALEJANDRO was listed. Today, General VON

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DER BECKE is one of the mainstays of the military Government of Argentina.

CARLOS ARROYO DEL RIO, President of Ecuador, has frequently protected enemy firms and Ecuadoran firms known to be serving the enemy's interests. ARROYO had to yield on the listing of his relative RAFAEL PINO ROCA, leader of the Ecuadoran Fascists, but was able to protect that man's sons LUIS and VICTOR PINO YEROVI, and their firm EMPORIO MUSICAL. ARROYO shielded LORENZO TOUS, a notorious pro-Fascist, and slowed down the elimination of "ECUAPETROL", a German oil company. He also successfully protected the Italian Fascist firm of A. BEGUT & CIA.

German firms in Latin America have often bought their influence directly. "ECUAPETROL" paid ENRIQUE COLOMA SILVA, Ecuadoran Director of Mining, for his help in securing an oil concession for them. They got on the right side of the President by hiring a lawyer he recommended. Some Ministers were given a share in the profits of contracts they placed with "ECUAPETROL". Hold over another was secured by taking over a debt he owed another Nazi firm. BAYER Colombia has a system of cells, made up of several persons in each Government agency who devote their efforts to furthering and protecting Nazi commercial interests and propaganda.

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II INSUFFICIENCY OF COUNTER MEASURES

Since the war began, first the British and then the Americans have fought with various weapons against German firms in Latin America. After Pearl Harbor some of the Latin American Governments took steps supposed to help this fight. To a shocking extent all these efforts have failed and German firms remain strong.

WEAKNESSES OF BLACK LISTING

The major weapons of American and British economic warfare in Latin America - the U.S. Proclaimed and British Statutory Lists, along with the ancillary lists - have been far from adequate. The cases of VON DER BECKE and MOUL, who were kept off the lists for political reasons, have already been mentioned (page nine). For some time after the war began the British did not list the 14 large German houses which dominate Venezuela's foreign trade because of their great importance in Venezuela's economy. The United States did not list OSRAM, FABRICA DE AMPOLLETAS ELECTRICAS, LTDA., Chile, until May 1942 because of the company's great importance to the Chilean economy.

Although the firm of BROMBERG & CIA., Rio de Janeiro, and Sao Paulo, was listed quite early, its machinery and real estate subsidiaries, MAQUINAS BROMBERG LTDA. and IMOBILIARIA TIRADENTES LTDA., Sao Paulo, were not listed until January 1942. Failure to list individuals connected with Axis firms gave them an opportunity to cloak or otherwise aid the enemy. For instance, PAUL SIEVERS, manager of ZEISS-Argentina, was not listed until September 1943 and even then his company, PAUL SIEVERS REPRESENTACIONES, was not listed. WALTER KULLAK, an important employee of the listed STAUDT Y CIA., S.A.C., Buenos Aires, who held power of attorney in Chile for RICHARD W. STAUDT, was able to travel freely back and forth from Santiago to Buenos Aires on company business.

There have been discrepancies between the American and British Lists that have aided the enemy. HECTOR VARELA, a salesman for BREUER MÖLLER & CO., SUCRS., Colombia, was placed on the Statutory List August 15, 1941, but did not appear on the Proclaimed List until December 17, 1943, and during that time was able to cloak for this important German company. An even more important delay was the failure to list ARAUJO FREITAS Y CIA., Rio de Janeiro, which was cloaking for SCHERING PRODUCTOS QUIMICOS & FARMACEUTICOS S.A., Brazil. Reports to this effect were made in 1941, but nothing was done. In May 1943 the Embassy was willing to admit that there had been a case for listing a year before, but that it was too late to do any good by listing.

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Another weakness of listing policy has been the premature delisting of firms. In the summer of 1943 a number of Nazi firms in Mexico were deleted from the U.S. Proclaimed and British Statutory Lists on the grounds that they were under the control of the Mexican Government. German technicians retained important posts in some of the firms. Some of the Mexican interventors were under enemy influence. Delisting made it possible for these firms, manufacturing under German trademarks, to export their goods to Central American countries, maintaining there the prestige of German trademarks. An outstanding case of premature delisting is that of PIRELLI S.A., CIA. INDUSTRIAL BRASILEIRA, Sao Paulo, which was removed from the U.S. Proclaimed and British Statutory Lists after signing an Undertaking which left it under the control of PIRELLI HOLDING LTD., a Swiss company which was in fact controlled from Italy by ALBERTO PIRELLI. The PIRELLI firm in Argentina was able to avoid listing altogether by signing a similar Undertaking. The LUNDGRENs in Brazil were early removed from the Black Lists because of their importance to British trade.

Even when a firm appears on the Proclaimed and Statutory Lists there is no guarantee that it will go out of business or even suffer severe hardship. American economic warfare officials have admitted that STAHLUNION Brazil, for example, was hardly affected by listing and that nothing serious was done about the firm until it was intervened by the Brazilian Government. SIEMENS-SCHUCKERT LTDA. in Chile continues its business at a high level and has no trouble in purchasing supplies for cash, even without the use of cloaks. A.E.G., CIA. SUDAMERICANA DE ELECTRICIDAD, in the same country, is also able to get supplies without too much difficulty. In recent months they purchased two large motors, one of American manufacture, through a cloak from J.A. COLVIN Y CIA., a British firm in Santiago. ANILINAS ALEMANAS S.A., in Buenos Aires, continues to sell to practically all of its regular customers. Before the United States entered the war German firms imported a great deal from this country and even now seem able to get not inconsiderable supplies from here through cloaks.

One of the greatest failures of the Proclaimed and Statutory Lists has occurred in Bolivia. Almost all of Bolivia's wholesale and retail trade is in the hands of the Germans. KYLMANN, BAUER Y CIA., JUAN ELSNER Y CIA., and BERNARDO ELSNER Y CIA. (CASA BERNARDO), are large firms with interlocking ownership. Their reaction to Allied economic warfare was to eliminate competition among themselves and devote all their efforts to maintaining intact the distribution system of one or another of the firms in various parts of the country. They reached an agreement along the same lines with ZELLER MOZER Y CIA., another big German house. CASA BERNARDO was liquidated in the process in order to strengthen the remaining firms but apparently without loss to its owners. The Proclaimed List has had practically no effect on the domestic business of these firms. Although it has been maintained that their imports

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from abroad were considerably restricted by the Lists, KYLLMANN, BAUER & CIA. still received 30 percent of Bolivia's total imports from Argentina in 1943. No constructive effort has been made by the Allies to replace the KYLLMANN, BAUER - ELSNER group. Branches of these German firms are the only stores in many towns in the interior.

LOOSE HANDLING OF FREZZANO

One of the first controls introduced in many Latin American countries was the blocking of Axis funds. Usually Axis firms were tipped off before such action was taken and hid large sums in cash. The SCOTTONI brothers in Ecuador had a frozen account of less than 1,000 sucres, despite the fact that they were wealthy bankers who were known to be handling very large sums on behalf of the German colony. The Venezuelan Superintendent of Banks believed that the BLOMBS have large sums of cash available. HANS VINTEN, in Colombia, is known to have a great deal of money in an iron box.

The control over blocked accounts is often loosely exercised. As late as September 1943, BAYER Colombia, which was nominally under Government control, was able to remit funds to BAYER Argentina, through the BANCO DE COLOMBIA, the Government bank. Although the funds of KYLLMANN, BAUER & CIA., in Bolivia, were blocked in December 1941, the BANCO CENTRAL DE BOLIVIA has always been most cooperative in releasing money and particularly foreign exchange to this important Axis enterprise. The partners in GUSTAVO ZINGG & CO., Venezuela, were permitted to draw from the company's frozen account large sums of money which exceeded the living allowances permitted them. In May 1943 the withdrawals from the ZINGG account amounted to about 750,000 bolivars. When Allied officials protested to the Venezuelan Government, Dr. E.G. PERMUY, the Superintendent of Banks, said that he was unable to check such withdrawals and the Minister of Finance said that he had no control over the accounts. Once, when the Blocked Funds Committee of Ecuador refused to release money to "EQUAPETROL", that company's president went to CARLOS ARROYO DEL RIO, President of Ecuador, and the money was forthcoming.

German firms all over Latin America are investing heavily in real estate, using their idle business funds, cash they have withheld from the frozen funds controllers, or money they have been allowed to withdraw from their blocked accounts, thus building up reserves for after the war. ANILINAS Chile has hidden investments in farms and apartment houses amounting to over 200,000,000 pesos (\$4.5 million at the free exchange rate, or \$10 million at the official rate).

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GOVERNMENT INTERVENTORS

Some Latin American Governments have appointed interventors or administrators to supervise or manage Axis firms.

There is a long history of corruption and pre-Axis attitudes among the interventors. The interventor for the Rio Grande do Sul branch of HERMANN STOLTZ & CIA. was a friend of the family. The interventor of CIA. GENERAL DE ANILINAS S.A. in Mexico soon got on friendly terms with the Nazi management. The interventor of "ECUAPETROL" accepted quite a small bribe from the Nazi managers to make a report very favorable to them which would have the effect of delaying, and perhaps completely blocking, liquidation proceedings. When GARCIA, the interventor of OSTERM & CO., S.A. in Peru, started out to cooperate with Allied authorities, the OSTERMs used their political influence to bring pressure on him that made GARCIA much less cooperative.

Perhaps the best example of the inadequacy of the interventor system is Bolivia. Allied suggestions that the Bolivian Government appoint interventors met with much resistance which was no doubt due in part to the fact that General ICHAZO, Chief of the General Staff, had received a large payment from KYLLMANN, BAUER & CIA., and JUAN ELSNER & CIA., to protect German firms. In May 1943 it was decided to appoint interventors and nine of them were named the following month. At least one had pre-Nazi connections and several were known for their dishonesty. The interventors for KYLLMANN, BAUER and JUAN ELSNER were paid twice as much by the firms supposedly under their control as by the Government. In July 1943, not long after the appointment of the interventors, an employee of GUSTAVO SCHOMANN & CO., the BAYER representative in Bolivia, wrote to Germany:

"....For the last few days we have had a Government adviser in the firm who is not pro-German but is very sound and decent. With this assistance - for it is intended as such by the Government - we shall probably even be able to improve our business somewhat again. The attitude of the Bolivian Government in this respect really is very fair as they have to withstand colossal pressure from America....."

Some interventors took the view that it was their job to run the Axis firms to the best of their ability as business enterprises, ignoring economic warfare. Thus, MANUEL BEJANANO, interventor of BAYER in Colombia, sanctioned the use of clocks and transacted business with the enemy-controlled BAYER company of Buenos Aires. He was supported in this view by the Colombian Government and the Banco de la Republica which held that the purpose of intervention was to keep the BAYER company going because of its importance to the national economy. The BAYER firm in Peru was able to operate quite freely once it was placed under Government intervention and the few leading Nazis eliminated. The Brazilian Army insisted that ZEISS, Rio de Janeiro, be kept in existence and even enlarged because of its importance to them.

One of the chief functions of the interventors was supposed to

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be the elimination of Nazis from key positions in the controlled firms. This was often not done very effectively. Though JUAN FISCHER of ANILINAS Mexico was dismissed by the interventor, he is known to have been in regular contact with the company through CARLOS UNZ, head cashier of BEICK, FELIX Y CIA., S. en C., a German who managed to keep his job even after intervention. FELIX BEICK, a partner in BEICK, FELIX Y CIA., Mexico, was allowed to stay with the firm because he had been born in Mexico. THEODOR HERMANN KAELE, president of BAYER Brasil, kept his hand on the company's affairs for quite some time after his "dismissal". Although not dismissed by an interventor, HANS KUHLE POHL, manager of SIEMENS-SCHUCKERT LTDA., Chile, was placed in enforced residence outside of Santiago, but all the company papers are taken to him for signature. HANS ANDRESS, manager of BAYER Peru, was kept from deportation when his wife, ROSE BENAVIDES LOREDO, who came from a prominent Peruvian family, interceded with the President.

German personnel were retained by interventors in many cases on technical grounds. Chemists and dyemasters in many I.G. FARBEN companies were held to be irreplaceable. The interventors of BAYER Mexico rehired men already discharged. All of the technicians of ZEISS Brazil were trained in Jena and were retained.

DELAYS IN ELIMINATING AXIS FIRMS

Even when Latin American Governments have decided to act against Axis firms, there have often been long delays which aid the firms. The history of BLOHM & CO., Venezuela, is a case in point. The original listing of this outstanding German firm was delayed until March 1942. Later the Allies pressed for its liquidation and the Venezuelan Government submitted a plan that was entirely unsatisfactory. There is evidence to show that the plan was drafted by the BLOHMs themselves. In September 1942 the Minister of Finance suggested that liquidation be spread out over two years to lessen the shock to Venezuela's economy. The BLOHMs have done all they can to delay matters, and count on the war being over before they are liquidated.

The story of HERMANN STOLTZ & CIA. in Brazil is similar. The first decree for the liquidation of Nazi firms in Brazil was signed in October 1942, but the notoriously Nazi firm of STOLTZ, which had been active in espionage work, was not named for liquidation until a year later. President VARGAS kept the draft decree on his desk a long time before signing. The Minister of War also intervened to protect STOLTZ as did FELINTO MUELLER, President of the National Council of Labor and former police chief. After the decree was signed things have moved slowly. This firm, too, hopes to drag out matters until the war is over.

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INSUFFICIENT REPLACEMENT

German firms played an important role in the prewar economy of Latin America. To facilitate the elimination of these firms, the United States and Britain should have been ready to provide goods and services to replace those formerly supplied by the Germans. Failure to do this has made it harder to drive out the Germans, and strengthened the hand of these Latin Americans who want to protect the Germans on grounds of essentiality. In considerable part, of course, this failure results from the wartime shortages of material and shipping space. But it has also been due to an unwillingness on the part of American firms to push their Latin American exports. This attitude has had various causes: fear that after the war German goods will return to Latin America and drive out the United States products; the relative smallness of Latin American markets; easy alternative sales in the United States. The U.S. Embassy in La Paz complained that GENERAL MOTORS was doing almost nothing to guarantee an adequate supply of spare parts to Bolivia. Germans dominated the Bolivian drug trade but American firms have made no serious effort to replace them. In Chile, the German factory, OSRAM, produces two-thirds of the domestic electric light bulbs. The Dutch PHILIPS concern proposed a new bulb factory in Chile. I.G.E. turned this down on the grounds that it was not desirable from the point of view of national policy to form such a partnership. This appears to be I.G.E.'s own interpretation of national policy and not one given them by our government. I.G.E. has also refused to establish its own factory in Chile. Subsequently PHILIPS made a deal with CRISTALERIAS DE CHILE S.A., the only other bulb factory in the country, to expand Chilean bulb production. The State Department refused an I.G.E. suggestion that W.H. GRACE & CO. take over OSRAM on the ground that this would look to the Chileans like "Yankee imperialism".

A number of German firms in the United States now controlled by the Alien Property Custodian produce goods virtually identical with those of their German affiliates, particularly in the chemical and pharmaceutical field. Therefore, these firms are particularly well suited for replacement activity, but relatively little has been done along these lines. There have been some difficulties about trademarks: it would be illegal in some cases, and generally undesirable, for American firms to sell to Latin America under the old German names - aspirin, for instance - but it has proved difficult to put across the new names against the good reputation of the German products. But the basic weakness has been the lack of a comprehensive policy or an energetic attempt to expand exports, and replace the German suppliers.

Even when American firms and officials have done something about replacement, delays have occurred on the Latin American side. The first

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important replacement program for Mexico, for instance, would have given American Cyanamid a virtual monopoly of Mexico's drug trade. This plan was blocked and A.P.C. officials proposed a program that would match various American producers with seized German firms in Mexico for replacement purposes. The Mexican Government seemed receptive to these suggestions but has delayed over a year, for undisclosed reasons, in putting them into effect.

III CONTINUING STRENGTH OF GERMAN FIRMS IN LATIN AMERICA

Enemy firms were in a strong prewar position in Latin America. I.G. FARBE, through its many ANILINAS and BAYER branches, was the principal supplier of pharmaceutical products, dyestuffs and other chemicals in most Latin American countries. In Chile, for instance, ANILINAS supplied three-quarters of the market for dyestuffs. The situation was similar in Brazil, Mexico and other countries. BAYER has been the chief supplier of drugs all over Latin America. A.E.G. and SIEMENS SCHUCKERT, with their affiliates, were among the leading electrical suppliers for all Latin American companies. PIRELLI had a virtual monopoly of the manufacture of cables and wire in Brazil. In Argentina PIRELLI, along with "SEMA", SOC. ELECTRO METALURGICA ARGENTINA, S.A., a German firm, controlled almost all of the country's copper wire drawing facilities. CARL ZEISS was the most important optical goods firm in Latin America. In the general commercial field the Germans were also strong. The position of the KYLLMANN, BAUER - ELSNER group in Bolivia has already been mentioned (pages 12, 13), as has that of the 14 German firms controlling Venezuelan foreign trade, (page 11). STAUDT & CIA. is one of the largest traders in wool in Argentina and Chile. STAHLUNION, with its affiliated companies, was the outstanding dealer in iron and steel products in Brazil.

The situation is little changed by the war. The German position in Latin America is still strong. Most of the firms continue to operate, some of them at a high level. Even those which are almost driven to the wall, such as a few of the I.G. FARBE subsidiaries, are able to keep their staffs and basic structure intact and to preserve their legal position by protecting their trademarks. In this way they are maintaining the foundations of the German position so that it can be rebuilt after the war. The heart of the I.G. FARBE structure in Latin America is now in Argentina. The BAYER and ANILINAS companies there have large stocks, which they are able to replenish by local manufacture or through imports. They are also able, through cloaks, to buy goods that originate in the United States, Britain, and other countries. A striking example of this strength is the history of LA PLATA OZALID, S. DE R.L., Buenos Aires, a FARBE subsidiary specializing in the manufacture of sensitized paper. This company was organized in June 1939, so that it

had hardly started business before the war broke out. Recent reports indicate that LA PLATA OZALID has expanded its business during the war, becoming the dominant firm in its field in Argentina. Raw material supplies seem to be well taken care of and the company is in a sound financial position.

FAHREN affiliates in other countries are also doing well. HEINRICH HOMANN, president of FAYEN Argentina, reported to his German superiors in July 1941 regarding FAYEN Colombia that "the sister firm in this country has been under direct control of a Governmental intervention since the beginning of 1942 and can openly carry on normal business in a relatively unhindered manner...For a long time we have been able to maintain shipments of necessary goods against specific payments." Regarding Venezuela, HOMANN wrote, "The last word we received from Caracas was that the situation there was about the same as in Colombia and that continuation of the business was almost entirely a matter of supply."

Late in 1943 FAYEN Argentina sent a large shipment of pharmaceutical products to FAYEN Venezuela on the Argentine B.R. "RIO GRANDE". These goods were consigned to E. LEBLANC GODARD, an employee of FAYEN Venezuela. There are several French intelligence reports regarding this shipment and its destination to Inter-